

5.0 PROBLEM CORRECTION SYSTEM

5.1 OVERVIEW

Develop and maintain a Problem Correction Process (PCP) to identify, report, correct and prevent problems and issues that occur during the term of the HCO Contract.

5.2 OBJECTIVES

- A. Ensure accurate and timely resolution of all problems and issues that do not meet Contract requirements;
- B. Ensure CDHS and appropriate parties are informed of all problems and issues and corresponding corrective action plans; and
- C. Ensure prevention of reoccurrences.

5.3 ASSUMPTIONS AND CONSTRAINTS

- A. For the purposes of this section, the terms “problem” and “issue” are defined as any failure on the part of the Contractor to meet Contract requirements.
- B. State and Contractor staff, as well as other interested parties designated by CDHS, shall have direct access to this process to document the occurrence of each problem, to describe its root causes, and to specify the measures that are being taken to correct it and to prevent a recurrence.

5.4 GENERAL RESPONSIBILITIES

The Contractor shall:

- A. Develop and implement a process for tracking and reporting its achievement in meeting all requirements as stated in this Section.
- B. Ensure the Contractor’s Quality Management (QM) staff receives, prepares and submits, tracks and resolves Problem Statements (PSs) using the PCP, and all PS processing timeframes are met in accordance with the timeframes outlined in this section. The Contractor’s PCP and reporting shall be fully defined and documented in the Quality Assurance Plan, the Contractor’s Policy and Procedure Manuals and the PCP manual.
- C. Develop and maintain a PCP Manual that contains Contractor procedures to initiate, receive, process, track, and report all PSs issued by CDHS and/or Contractor staff. The procedures shall explain the step-by-step methods of preparing, submitting, and processing PSs and shall address how staff shall meet all requirements. These procedures must be included in the Quality Assurance Procedures and Standards Manual;
- D. Submit the PCP manual to CDHS during Takeover, as directed in Exhibit A, Attachment I, Takeover;

- E. Utilize the PCP as the sole means of documenting and tracking problems identified by State, Contractor, and, at CDHS's discretion, other interested parties;
- F. Develop and maintain a PCP tracking and reporting process for both the Contractor and CDHS that shall be used as a tool to document the status of all PSs to final resolution. Therefore the information provided by the Contractor shall be subject to State approval on a report-by-report basis. When information has been disapproved, the Contractor shall have five (5) calendar days to revise and submit the PCP status report to CDHS. CDHS shall have the capability to run ad-hoc queries, as well as any and all pre-defined queries and reports. CDHS shall have continuous access to the PS records and be able to retrieve and sort information, etc Using this process, the Contractor and State staff shall be able to track and to quickly and accurately report on the status of any and all PSs. Tracking shall be continuous throughout the term of this Contract: All PSs, active or resolved, shall remain in the production records, and accessible via the query and reporting functions;
- G. Update the PCP tracking process within one (1) business day of every action taken with regard to an active PS (e.g., Interim Response (IR), Corrective Action Plan (CAP), or Closure Notice (CN) submitted to CDHS, and all approvals/denials issued by CDHS);
- H. Ensure that all PCP process documentation is written at a level that is basic enough to allow a person who is new to the PCP process, and who has only a minimal knowledge of the process, to quickly understand how the process is structured, and how to use it;
- I. Ensure that all PS processing time frames are met as specified in this section;
- J. Correct all deficiencies identified through the PCP;
- K. Ensure that any PS form the Contractor proposes contains, at a minimum, all elements used in CDHS-approved "Health Care Options Problem Statement" form which CDHS submits to the Contractor during the Takeover phase;
- L. Ensure all forms, documents, and report formats utilized by the Contractor that pertain to the PCP are reviewed and approved by CDHS prior to use;
- M. Maintain all documentation relating to PSs (e.g., Initial PS (IPS), Initial Response (IR), Corrective Action Plan (CAP), Closure Notice (CN), research, and testing documentation) at the Contractor's HCO main operating facility location. The Contractor shall maintain all such documentation in keeping with Exhibit A, Attachment II, Section 8, Records Retention and Retrieval requirements stated in this Contract;
- N. Hold monthly PCP status meetings with CDHS to discuss the status of all open PSs;

- O. CDHS retains the authority to identify PSs that require urgent processing by the Contractor;
- P. At the discretion of CDHS, an extension to any time frame indicated in the PCP may be granted on a request-by-request basis. To seek an extension, the Contractor shall submit to CDHS a written waiver request meeting the applicable requirements appearing in Exhibit E, Additional Provisions Section.

5.5 PROBLEM STATEMENT (PS) CATEGORIES

The Contractor shall be required to process Problem Statements (PS) through four (4) categories as described below: (A PS can bypass the Interim Response (IR) and/or the Corrective Action Plan (CAP) category, and transition to a Closure Notice (CN), if the situation allows.)

5.5.1 INITIAL PROBLEM STATEMENT

The submission of an Initial Problem Statement (IPS) is the first step in documenting the existence of an actual or potential problem in any of the operational areas governed by this Contract. IPSs can be submitted by the Contractor, CDHS, a health plan, or other interested party designated by CDHS. IPSs usually contain minimal information, but enough to enable the Contractor to begin investigating the problem.

- A. The Contractor shall assign one of the following four (4) priority levels to each IPS. CDHS retains the authority to approve, modify and/or reassign priority levels at any time:
 - 1. Urgent: Problems designated as urgent must be resolved as soon as possible, and are therefore processed ahead of problem in the other three (3) categories;
 - 2. High: Problems assigned a high priority are critical enough to be processed ahead of problems in the medium and low priority categories, but not so critical as to take priority over problems in the urgent category;
 - 3. Medium: Operational problems that must be resolved, but are less critical than urgent or high priority problems are assigned a medium priority level. Problems in this category are to be processed ahead of low-priority problems;
 - 4. Low: Problems that do directly affect operations, such as errors in manuals, reports, or other documents are assigned a low priority. Low priority problems are not to be processed ahead of problems in any other category.

No problem in any priority category, however, shall remain unprocessed for more than three (3) calendar weeks.

- B. The Contractor shall:

- 1. Submit IPSs within twenty-four (24) hours of problem identification;

2. IPSs are to include but not be limited to the following:
 - a. Unique identification number (PS number);
 - b. Priority level;
 - c. Submission date; and
 - d. Brief summary of the problem.

5.5.2 INTERIM RESPONSE PROBLEM STATEMENTS

- A. An initial PS can transition into the Interim Response (IR) PS category when the following additional information, at a minimum, has been determined and updated on the IR PS category:
 1. A complete description of the problem, including the operational areas it affects;
 2. A statement of preliminary findings, including analysis of the cause(s) of the problem, processes which are affected and where the problem exists within the HCO Program Operation;
 3. An estimate of the time required to correct the problem, develop and test a corrective action plan to prevent the problem from occurring again, and to process and close the PS; and
 4. The name of the individual or group assigned the problem for resolution.
 5. All information (PS number, priority level, submission date, brief problem summary, etc.) from the Initial PS shall be retained on the IR.
- B. Time Requirements

IRs are to be processed within the following time frames based on priority levels:

1. Urgent: The Contractor shall have five (5) business days from receipt of the PS to forward the IR to CDHS and to the originator. An IR shall be waived if a CAP or CN is submitted within five (5) business days from receipt of the IPS.
2. High or Medium: The Contractor shall have ten (10) business days from receipt of the PS to forward the IR to CDHS and to the originator. An IR shall be waived if a CAP or CN is submitted within ten (10) business days from receipt of the IPS.
3. Low: The Contractor shall have twenty (20) business days from receipt of the PS to forward the IR to CDHS and to the originator. An IR shall be waived if a CAP or CN is submitted within ten (10) business days from receipt of the IPS.

4. The Contractor shall update the PCP within one (1) business day of completing an IR and forwarding it to CDHS and to the originator.
5. If CDHS determines an IR requires modification, the Contractor shall have five (5) business days to correct the deficiency and resubmit the revised IR documentation to CDHS and to the originator. The PCP shall be updated within one (1) business day of the resubmission.

5.5.3 CORRECTIVE ACTION PLAN (CAP) PROBLEM STATEMENTS

- A. A CAP provides a complete written analysis of the problem, identifies the actions and time frames necessary to correct the problem, and identifies the steps to be taken to prevent the problem from reoccurring.
- B. An IR can transition to the CAP category when the following additional information, at a minimum, has been added to it:
 1. A comprehensive description of findings, including program(s) which are affected and where the problem exists within the HCO Program Operation;
 2. A description of how the Contractor intends to correct the problem and eliminate the problem pattern or deficiency;
 3. A description of the test to be performed to confirm the CAP is effective in preventing a reoccurrence; and
 4. An estimated date of correction.
 5. All information from the IR (PS number, submission date, brief problem summary, person or group to which the IPS has been assigned, etc.) shall be retained in the CAP.
- C. Time Requirements for CAPs
 1. CAPs are to be processed within the following time frames based on priority levels:
 - a. Urgent: The Contractor shall have ten (10) business days from receipt of the IPS to forward the CAP to CDHS and to the originator.
 - b. High: The Contractor shall have twenty (20) business days from receipt of the IPS to forward the CAP to CDHS and to the originator.
 - c. Medium and Low: The Contractor shall have thirty-five (35) business days from receipt of the IPS to forward the CAP to CDHS and to the originator.
 2. The Contractor shall update the PCP within one (1) business day of completing and forwarding a CAP to CDHS and to the originator.

3. If CDHS disapproves or requires modifications to a CAP, the Contractor shall have five (5) business days to correct the deficiency and resubmit the revised CAP documentation to CDHS and to the originator. The PCP shall be updated within one (1) business day of the resubmission.

5.5.4 CLOSURE NOTICE (CN) PROBLEM STATEMENTS

- A. The primary function of a CN is to confirm that a problem identified on a PS has been corrected, and that adequate steps have been taken to prevent a reoccurrence.
 1. A CN may also recommend closure for other reasons, such as:
 - a. If the investigation into the PS reveals that it was submitted in error, and that no problem, in fact, occurred, the CN does not need to describe measures to resolve a problem or to prevent future occurrences; and
 - b. If the problem was caused by circumstances beyond the Contractor's control, and the Contractor has no ability to correct the problem or prevent it from happening again, the CN does not need to describe measures taken to resolve the problem or to prevent a reoccurrence.
 2. In all cases, however, CNs are to fully and clearly describe the results of the investigation into the problem reported in the PS. If no measures for resolving the problem and/or preventing a reoccurrence are included, the reasons for these omissions must be fully described.
- B. An IPS, an IR, or a CAP can be transitioned into a CN when the following information, at a minimum, has been added to it:
 1. A description of the source or root cause of the problem;
 2. A description of the action(s) taken to correct the problem;
 3. If the measure(s) implemented to correct and/or prevent a reoccurrence have been tested, the results of that testing, including any quantitative measurements obtained during testing, shall be included in the CN. Any time it is feasible to test the problem correction measures described in a CAP and a CN, such testing should be carried out, and the results reported in the CN. For CNs closing PSs that may involve any of the Contractor's automated processes must be tested and the reporting of test results is a requirement. This requirement can only be waived if the Contractor obtains a written waiver from CDHS;
 4. The date the problem correction measures described in the CN were implemented;
 5. Any documentation, including but not limited to, procedures manuals, data dictionaries, and training materials that were created or updated in support of the problem correction measure(s) put into place;

6. All information from the IR and/or CAP (PS number, submission date, brief problem summary, person or group to which the PS has been assigned, comprehensive findings, etc.) shall be retained in the CN.
- C. Time Requirements for CNs:
1. CNs are to be processed within the following time frames based on priority levels:
 - a. Urgent: The Contractor shall have eight (8) business days from receipt of the IPS to forward the CN to CDHS and to the originator.
 - b. High: The Contractor shall have fifteen (15) business days from receipt of the IPS to forward the CN to CDHS and to the originator.
 - c. Medium and Low: The Contractor shall have twenty (20) business days from receipt of the IPS to forward the CN to CDHS and to the originator.
 2. The Contractor shall update the PCP within one (1) business day of completing and forwarding a CN to CDHS and to the originator; and
 3. If CDHS disapproves or requires modifications to a CN, the Contractor shall have three (3) business days to correct the deficiency and resubmit the revised CN documentation to CDHS and to the originator. The PCP shall be updated within one (1) business day of the resubmission.

6.0 REPORTS

6.1 OVERVIEW

This section is intended to facilitate the identification of reporting responsibilities as well as to ensure consistent application of requirements for all HCO reports. Reports are defined as any compilation or reflection of data provided in any media. Given the desire for continuing innovation in the area of reporting, CDHS will, for the life of the Contract, allow the Contractor to recommend technology based data solutions as an alternative to existing paper-based reporting functions. All recommendations must follow the normal review and approval process prescribed by CDHS. All requirements of the regulations implementing the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (45 CFR 160 et seq.) shall be adhered to in the development, delivery, storage and retrieval of reports.

All reports produced by the Contractor, whether for internal or external use, shall conform to the requirements described in this section unless otherwise specified in the Contract or in writing by CDHS.

6.2 OBJECTIVES

The reports requirements in this section shall:

- A. Ensure the Contractor provides accurate and timely report deliverables to CDHS and all interested parties;
- B. Ensure the accurate identification of reporting responsibilities;
- C. Ensure all regulations, laws and State policies are adhered to; and
- D. Ensure consistent application of requirements for all HCO reports.

6.3 ASSUMPTIONS AND CONSTRAINTS

- A. 'Internal' reports are defined as reports shared with CDHS only, which are designed, developed and installed by the Contractor for its use in managing the HCO Contract with CDHS. 'External' reports are defined as reports shared with CDHS and other interested parties at CDHS's sole discretion that are fully implemented by the Contractor for its use in managing the HCO Contract with CDHS.
- B. CDHS retains the right, at any time during this Contract, to expand, reduce, and/or delete any report and/or the data elements in any report, as well as the reporting schedule of any report to be produced under this Contract. CDHS also retains the right to instruct the Contractor at any time to produce reports not otherwise presented in this Contract.

6.4 GENERAL RESPONSIBILITIES

The Contractor shall:

- A. Develop and implement a process for tracking and reporting its achievement in meeting all requirements as stated in this Section and in this Contract.
- B. Develop, generate, produce, maintain and deliver all report deliverables in accordance with any and all requirements appearing in this Contract.
- C. Ensure that at least one (1) staff person is available from 8:00 AM to 5:00 PM, Monday through Friday, except for State holidays, to perform general reporting staff liaison activities and to assist CDHS with any reporting questions or issues that may arise. The primary responsibilities shall be to assist CDHS by performing the following reporting functions:
 - 1. Data processing;
 - 2. Database development/maintenance;
 - 3. Statistical and research reporting;
 - 4. Report production and delivery;
 - 5. Research/report problem solving activities;
 - 6. Report accuracy and data validity; and
 - 7. Development of techniques to obtain more effective and efficient use of HCO and MEDS data by CDHS.
- D. Organize and maintain a Master Library of all reports produced including the Contractor's internal reports. Reports that contain Protected Health Information (PHI) and/or confidential data shall be secured, and access shall be limited to Contractor staff, with full access provided to CDHS. This library must be located at the main operating facility. Reports shall be available in the Master Library within eight (8) business days after report production. This library shall be accessible at all times to State staff. The medium used to store all reports in this library shall be determined by CDHS during Takeover.
- E. Create, maintain and provide to CDHS a Report User Manual(s) (RUM) which covers all HCO report deliverables. This manual shall be delivered to CDHS in accordance with the requirements contained in Exhibit A, Attachment I, Takeover Section of this Contract. The medium in which the RUM is produced and stored shall be determined by CDHS. The documentation in the manual(s) shall consist of the following items:
 - 1. A composite listing of all reports produced, displaying the report number, report name, operational areas to which the report applies, reporting frequency, report distribution, report retention period; and
 - 2. Examples of each report generated, and descriptions as follows:
 - a. The standard report heading;

- b. The report definition/description, which includes a brief statement of purpose, a detailed description and definition of report elements, the report number, the report name, the operational areas to which the report applies, reconciling routines, control and audit functions, report frequency and report distribution;
 - c. User procedures and interfaces; and
 - d. An example of the produced report, which displays all information, summary total data, and all representative formats within each report.
 - e. Identify when the report is a functional equivalent to a required report. This listing shall identify all reports for which CDHS has waived production requirements, and provide an audit trail with reference (C-Letter and Date) to CDHS's approval of each functional equivalent and waiver; and
 - f. Include any cross-reference to other corresponding reports that support summary totals or data.
- F. Distribute reports in contractually required time frames to interested parties based upon CDHS-approved Reports Distribution List. This list shall be developed jointly by CDHS and the Contractor during Takeover, and shall be approved by CDHS.
- G. Maintain CDHS-approved Reports Distribution List. This list shall include:
- 1. All interested parties that receive HCO reports;
 - 2. The reports, identified by report number and name, to be distributed to the persons and groups on the list;
 - 3. Delivery date requirements;
 - 4. The number of copies produced and their destinations;
 - 5. The medium and/or media in which the report(s) is/are produced; and
 - 6. Other information deemed necessary.

The Reports Distribution List shall be provided monthly to CDHS in two (2) formats: by user (the person who receives the report) and by report name.

This list may be modified by CDHS at any time throughout this Contract. The Contractor shall provide updates of this report within ten (10) business days of receipt of a change request initiated by CDHS.

- H. Provide CDHS, in the format as instructed, with access to or delivery of all Contractor-produced reports, whether for internal or external use, within two (2) business days of request by CDHS. Paper copies of reports older than twelve

(12) months or larger than fifty (50) pages, shall be provided within five (5) business days.

- I. Participate in and/or perform statistical and/or research studies as CDHS may direct or approve. The Contractor shall prepare no more than the equivalent of ten (10) ten-page studies per Contract phase at no additional cost to CDHS, provided these reports can be prepared with data and/or information available to the Contractor at the time of the request. Studies may include, but are not limited to, quantitative or qualitative analyses of managed care enrollment and/or eligibility data, and reports on any Contractor operational area (Field Operations, Telephone Call Center, Quality Assurance, etc.). Studies meeting the above criteria are to be completed and submitted to CDHS no more than thirty (30) calendar days from the date of CDHS's request.
- J. Notify at least one (1) State HCO Section manager by e-mail within one (1) business day, to be followed up with a formal written notification within five (5) business days, upon detection of any discrepancy of report information (e.g., invalid statistical data, dates, dollar amounts) or other problems affecting the accuracy, reliability, production, availability, and/or distribution of HCO reports. Discrepancy(ies) located within report(s) shall be corrected and provided to all parties within one (1) business day of detection. The Contractor shall also submit a Problem Statement (PS) within one (1) business day of the notification of the report discrepancy and/or problem. If the Contractor determines that CDHS's input or direction is required to resolve the problem(s), the Contractor shall also provide an explanation describing the desired input, along with any applicable timetables and projected corrections, as set forth in Exhibit A, Attachment II, Section 5, Problem Correction Process.
- K. Upon State approval, modify report delivery locations, number of report copies generated, reporting medium and/or delivery frequency by report recipient at no additional cost to CDHS. If business requirements dictate that a report medium from hardcopy to electronic media (e.g., diskette, CD, or Internet, etc.) it will be done at no additional cost to CDHS. Changes shall be made upon request according to the following schedule as per individual report specification:

<u>REPORT PRODUCTION DATES</u>	<u>DATE CHANGE REQUIRED</u>
Monthly, bimonthly, quarterly, semi-annually, annually (e.g., Monthly Progress)	Next report production cycle if report is due in less than fifteen (15) calendar days of request; Current report production cycle if report is due in more than fifteen (15) calendar days of request.
Daily weekly, on-demand, On-request, on-line, special reports, ad-hoc (e.g., Daily Status, Weekly Narrative)	Within thirty (30) calendar days of the request

- L. Provide suggestions to CDHS that could enhance reports and/or reporting activities. Suggested changes may include elimination or creation of reports, modifications to report format, information, production frequency, reporting medium, or information descriptions.
- M. Starting no later than the end of the calendar year within which this Contract becomes effective, and by the end of each calendar year thereafter, the Contractor shall produce an annual report, for State review and approval, that lists recommended improvements to HCO reporting. This list shall state those reports that may need to be deleted, expanded or revised, and the reasons for such recommendations.
- N. The Contractor shall be given a two (2) business day review period to ensure the accuracy of data contained in reports produced from changes requested to the existing report criteria.

6.5 REPORT DELIVERABLES

The term, "Report deliverables," as used in this Contract, refers to all reports designated as required in this section of the Contract. All reports shall be prepared in a medium and standardized format mutually agreed upon by CDHS and the Contractor, with written approval by CDHS.

Reports shall contain quantitative and/or qualitative analyses that accurately characterize levels of performance with respect to Contract requirements, narratives to describe pertinent information not included in quantitative presentations, and explanations of variations in the quantitative information presented. In addition to the report deliverables already defined in this Contract, CDHS may require the Contractor to prepare additional report deliverables. Additional required reporting may cover, but not be limited to, all contractually required HCO Program Operations.

6.5.1 CUSTOMER SERVICE REPORTS

6.5.1.1 TELEPHONE CALL CENTER (TCC) REPORT

- A. The Contractor shall submit reports on a daily basis that are then compiled into and reported in the weekly reports and monthly reports. The daily reports include, but are not limited to:
 - 1. **Unscheduled TCC downtime:** The minutes of downtime shall be reported in the daily, weekly, and monthly reports. Downtime shall be reported in terms of the average number of minutes per week over the reporting period. Additional system downtime reporting requirements are described in the Exhibit A, Attachment II, Section 1.4, Telephone Call Center;
 - 2. **Mandatory beneficiaries contact attempts and completions:**
 - a. The total number of mandatory beneficiaries who are on the default path that have been contacted in order to assist them with completing and returning a Choice Form; and

- b. The total number of mandatory beneficiaries who were provided assistance and have completed a Choice Form over the phone.
 3. 'In queue' and 'hold' time: 'In queue' and 'hold' time shall be reported separately and as a combined total in the daily, weekly, and monthly reports. Separate and combined 'in queue' and 'hold' time shall be reported in terms of the average number of minutes per call, averaged over all calls received during the reporting period;
 4. Voice mail referral rate: The voice mail referral rate shall be reported daily, and shall contain separate rates for calls received during business hours and calls received during non-business hours. Referral rates shall be reported in terms of the percentage of calls received during normal business hours that are referred to voice mail during the reporting period;
 5. Voice mail message return rate: A report that provides the number and percentage rate of voice mail messages, that are returned within one (1) business day;
 6. Abandonment rate: A report that details the rate as the percentage of calls received during normal business hours that are abandoned during the reporting period;
 7. Blocked call rate: A report that details the percentage of calls received during business hours that are blocked during the reporting period; and
 8. Calls placed: A report that details the number of telephone calls placed by TCC staff. This data shall be reported by language and by county.
- B. The Contractor shall submit reports on a monthly basis to include the reports provided daily and weekly, but shall also include, but not be limited to:
1. A compilation of Call Center activities as reported in the daily reports;
 2. Statistics gathered from all information obtained from the BIT, DPS and Call Tracking Information System and its related functions;
 3. Documentation of system downtime and/or unusual incidents
 4. Call Referral Rate: A report that details the percentage of calls that the TCC must refer to an outside entity for resolution. Along with the current month's rates, the corresponding rates for each of the preceding 12 (twelve) months shall also be reported. Call referrals are a necessary Customer Service function. CDHS expects a certain percentage of calls to be referred to another entity for resolution during every reporting period. Significant increases or decreases in this percentage in any given month could be indicative of a problem, however. When such increases or decreases occur, CDHS may, at its discretion, require the Contractor to identify and report on the causes of those fluctuations. The overall referral rate, along with the rates falling into the following categories, shall be reported:

- a. Referrals to the Contractor's research operations;
 - b. Referrals to County DPSS offices;
 - c. Referrals to medical and dental plans, reported by plan and by county;
 - d. Referrals to the California Department of Social Services;
 - e. Referrals to the MMCD Office of the Ombudsman, Dental Managed Care and State Department of Managed Health Care; and
 - f. Referrals to all other entities.
5. **Issues Addressed:** A report that categorizes incoming TCC calls by the issues addressed in those calls. The issue categories used in this report are to be periodically reviewed and revised, as needed, and approved by CDHS. The report shall impart the number of incoming calls that fall into each approved issue category. "Other" shall always be a category. The report shall include a narrative briefly summarizing the issues that fell into the "other" category in the current report;
 6. **Call Duration:** A report that details each TCC staff's average call duration compared to an overall TCC staff duration range. The overall TCC staff duration range shall consist of the upper and lower duration bounds within which 95 percent (95%) of all TCC calls fall. In addition to an overall duration rate, rates shall also be reported by incoming and outgoing calls, by threshold language, by county, by plan and plan type, and any other categories the Contractor may wish to propose. All categories used must be approved by CDHS;
 7. **Calls Placed:** A report that details the number of telephone calls placed by and to TCC staff. Calls placed data shall be reported by language and by county. Report the number of calls placed to beneficiaries who do not return a completed Choice Form, the total number of calls placed to each beneficiary called for such purpose, and the total number of Choice Forms completed as a result of these calls; and
 8. **Ad hoc report(s)** that contain any other data pertaining to the TCC which CDHS requests on ad hoc basis and which the Contractor can reasonably be expected to produce.

6.5.1.2 EDUCATION AND OUTREACH REPORT

- A. The Contractor shall submit reports on a weekly basis to include, but not be limited to highlights of enrollment services activities including outreach and education events and issues relating to outreach activities.
- B. The Contractor shall submit reports on a monthly basis to include, but not be limited to:

1. Presentation Attendance: A report that provides the identification of each person who attended either a presentation or a customer service session, aggregate attendance summary data, total customer contacts reported by county, by site, and by individual ESR with totals broken out by presentations, customer services, and total contacts, and invoiced ESR hours by county, site and ESR. For each attendee, the following information shall be provided:
 - a. The attendee's address and telephone number;
 - b. The attendee's eligibility and enrollment status, as of the time of the reported ESR contact;
 - c. The attendee's primary spoken language;
 - d. The type of service provided (presentation versus customer service);
 - e. Date, time and location of the contact;
 - f. Name and employee number of the ESR who presented and/or provided the customer service;
 - g. Name and employee identification number of the responsible ESR supervisor (this should be the supervisor who is able to certify that the reported customer contact did occur and is accurately described);
 - h. If the attendee submitted a Choice, exemption or waiver form at the end of the presentation and/or customer service session;
 - i. The final status of the Choice, exemption or waiver form (e.g., correctly completed and submitted, not submitted for lack of a signature); and
 - j. Any other pertinent information.
2. ESR Presentation Monitoring results: A report that provides a summary of the results of all ESR monitoring. Results shall be reported both individually and collectively for all ESR. The collective summary report shall be broken out by site and county and also totaled for the entire project; and
3. Presentation Site Productivity. The Contractor shall provide CDHS with a comprehensive monthly report on the productivity of each presentation site. The productivity metrics shall be:
 - a. Average minutes of site operation per presentation given. The Contractor may propose a method for adjusting this measure to account for time spent providing customer service that does not constitute a full presentation. Upon CDHS's approval that adjustment may be utilized; and
 - b. The ratio of presentations given to site FTEs. This measure shall be expressed in terms of the number of presentations per FTE. As with the

minutes of operation per presentation measure described above, the Contractor may propose an adjustment to account for customer service time that does not constitute a full presentation. Upon CDHS's written approval that adjustment may be utilized.

- c. The Contractor shall submit reports on a quarterly basis to include, but not be limited to ESR Attendee Feedback Evaluation Tool Results. The ESR Attendee Feedback Evaluation Tool Results report provides a summary and evaluation of the evaluation forms completed and returned by persons who attended an ESR presentation and/or obtained assistance from an ESR. This report shall be rolled up into the monthly report at the end of each quarter.

6.5.1.3 RESEARCH REPORT

The Contractor shall submit reports on a weekly, and then compiled into a monthly, basis to include, but not be limited to:

- A. Research Assistance: A report that provides a list of all issue(s) dealt with by the Research Unit, by category, to include a summary of the total and trends of the issue(s). Total referrals to research shall be reported, along with total referrals by source (TCC, CDHS, health plans, etc.). The format shall be agreed upon by CDHS. The report shall include the total number of telephone calls placed to applicants/beneficiaries who submitted incomplete forms and the total number of forms that were completed based on these telephone calls;
- B. Issues Referred by CDHS: A report that lists the issue(s) referred by CDHS for research assistance. The report shall list each issue, the date received by the Contractor, date procedures were initiated, and date written response provided back to CDHS, and shall highlight all issues not resolved in the timeframe specified by the Contract;
- C. Incident Report Log: A log that contains all incident reports created for complaints and grievances received by the Contractor. The log shall be itemized into two categories:
 1. Issues Resolved by the Contractor: A list of the issues handled by the Contractor without outside assistance. The report shall list each issue, the date received by the Contractor, date procedures were initiated, date resolved and date written confirmation provided to the complainant, and shall highlight those issues not resolved in the timeframe specified by the Contract; and
 2. Issues Referred for Outside Assistance: A list of the issues referred for assistance to outside entity. The report shall list each issue, the date received by the Contractor, date referred and report forwarded to the outside entity, or date referred back to the complainant with a resolution resource recommendation.

6.5.1.4 HCO WEBSITE REPORT

The Contractor shall submit reports on a weekly, and then compiled into a monthly, basis to include, but not be limited to:

- A. HCO Website availability
- B. Usage
 - 1. Total number of assistance requests
 - 2. Number of assistance requests sought, by type, by language

6.5.1.5 PROVIDER INFORMATION NETWORK (PIN) REPORT

The Contractor shall submit reports on a weekly, and then compiled into a monthly, basis to include, but not be limited to:

- A. Provider Information Network availability
- B. Usage
 - 1. Total number of hits
 - 2. Number of hits, by type, by language

6.5.1.6 BENEFICIARY INTERACTION TRACKING (BIT) REPORT

The Contractor shall submit reports on a weekly, and then compiled into a monthly, basis to include, but not be limited to:

- A. BIT availability
- B. Usage
- C. Total number of hits
- D. Number of hits, by type, by language

6.5.2 ENROLLMENT/DISENROLLMENT REPORT

The Contractor shall submit reports on a daily basis to include, but not be limited to:

- A. Forms Production Activity
 - 1. Total number of Choice Forms received;
 - 2. Total number of Choice Forms processed;
 - 3. Total number of packets returned;

4. Total number of Unable to Process letters mailed;
 5. Beginning and ending daily balances of all Choice Forms received and processed;
 6. Average completion time for both batch and on-line Choice Forms processed, for all Choice Forms received; and
 7. Total number of Choice Forms processed within the contractual cycle time, by day.
- B. Auto Assignment Summary Report for Medical Beneficiaries assigned to a plan
- C. Expedited and Retroactive Disenrollments, and Exception to Enrollment Forms Activity
1. Total number of expedited disenrollment requests received;
 2. Total number of expedited disenrollment requests processed;
 3. Total number of expedited requests processed as approved;
 4. Total number of expedited requests processed as denied;
 5. Total number of retroactive disenrollment requests received;
 6. Total number of retroactive disenrollment requests processed;
 7. Total number of retroactive requests processed as approved
 8. Total number of retroactive requests processed as denied.
 9. Total number of medical and non-medical exception to enrollment requests received;
 10. Total number of medical and non-medical exception requests processed;
 11. Total number of medical and non-medical exception requests processed as approved;
 12. Total number of medical and non-medical exception requests processed as denied;
 13. Total number of approved medical and non-medical exception requests processed prior to enrollment;
 14. Total number of approved medical and non-medical exception requests processed which resulted in a disenrollment; and
- D. Beginning and ending balances of all disenrollment and exception to enrollment forms received and processed;

- E. Compute the average completion time for expedited and retroactive disenrollment and exception to enrollment forms processed;
- F. Total number of all disenrollment and exception to enrollment forms processed within the contractual cycle time, by day; and
- G. Total number of all disenrollment and exception to enrollment forms not processed within the contractual cycle time, by day.
- H. Daily Data Entry transactions sent to MEDS
 - 1. Total number of enrollments and disenrollments
 - 2. Total number of Fee for Service Transactions
- I. The Contractor shall submit reports on a weekly basis to include, but not be limited to a compilation of the daily enrollment and disenrollment operations as identified in the daily reports.
- J. The Contractor shall submit reports on a monthly basis to include, but not be limited to (for medical and dental where applicable, and keeping each separate from the other):
 - 1. A monthly enrollment summary, by county, by plan,
 - 2. Status of remaining eligibles in mandatory aid codes that are eligible to receive medical or dental enrollment mailings
 - 3. Disenrollments by reason summary
 - 4. Disenrollments by reason, by county, by zip code, by plan, by aid code (mandatory and voluntary), by language
 - 5. Beneficiary status counts, by county
 - 6. Approved expedited disenrollments by reason, by plan, by aid code (mandatory and voluntary)
 - 7. Medical and non-medical exception to enrollment summary, by type
 - 8. Medical and non-medical exception to enrollment requests by reason, by county, by aid code
 - 9. Approved exception to enrollment requests prior to enrollment, by reason, by county, by aid code
 - 10. Approved exception to enrollment requests that result in disenrollments
 - 11. Defaults, by type, county, zip code and language

12. Auto assignment summary report
13. Monthly mandatory eligibles report (due two (2) business days after reconciliation)
14. Exception to enrollment expiration report, by county, by month of expiration (to report those exceptions set to expire within ninety (90) calendar days.)
15. Forms Tracking System (FTS) availability and usage

6.5.3 INFORMING MATERIALS REPORT

The Contractor shall submit reports on a daily basis to include, but not be limited to:

- A. Daily records sent and received for mail distribution
 1. Report by type sent and received, to include, but not be limited to, the following:
 - a. Intent to Assign;
 - b. Intent to Default;
 - c. All Health Plan Membership Status letters;
 - d. Packet Requests; and
 - e. Special Mailings.
 2. Compute the sent and received times, by day
- B. Daily Letters Mailed, for medical and dental
 1. Report letters mailed by type, by county, to include, but not be limited to, the following:
 - a. Intent to Assign
 - b. Intent to Default;
 - c. All Health Plan Membership Status letters;
 - d. Packet Requests;
 - e. Outreach;
 - f. Special Mailings;
 - g. Daily Total; and

- h. Compute the mailing time, by day.
 - 2. All significant issues shall be identified and discussed.
 - C. The Contractor shall submit reports on a weekly basis to include, but not be limited to:
 - 1. A compilation of the daily mail functions as reported in the daily status report;
 - 2. All significant issues and/or changes
 - 3. Inventory Production to include, but not be limited to:
 - a. Inventory on hand;
 - b. Inventory usage;
 - c. Outstanding inventory on back order;
 - d. Inventory to be replenished; and
 - e. Daily production reports.
 - D. The Contractor shall submit reports on a monthly basis to include, but not be limited to:
 - 1. Production
 - a. Whether all requirements, including but not limited to, Materials Development and Production, and Timeliness contained in Exhibit A, Attachment II, Section 2, Informing Materials, were met,
 - b. A detailed listing of those requirements not met.
 - c. A description of the documents developed and produced during the reporting time period; and
 - d. Reasons the Contractor did not meet contractual requirements.
 - 2. Inventory Control
 - a. Inventory on hand;
 - b. Whether the Contractor met contractual timeliness requirements;
 - c. A detailed listing of those requirements not met;
 - d. Reasons the Contractor did not meet contractual timeliness requirements; and

- e. Interim reports shall be made available upon request, submitted to CDHS within one (1) business day of request..
- 3. Returned Mail
 - a. Achievement of meeting contractual timeliness requirements for returned mail; and
 - b. Reasons for not meeting contractual timeliness requirements.

6.5.4 TRAINING REPORT

The Contractor shall submit reports on a quarterly basis to include, but not be limited to:

- A. Detail the progress and status of actual training conducted as compared to the Training Plan submitted.
- B. Report all training classes given during the reporting time period, and shall include, at a minimum, the following:
 - 1. The number of Contractor staff who registered for training;
 - 2. The number of Contractor staff who actually attended the training;
 - 3. The number of State staff who registered for training;
 - 4. The number of State staff who actually attended the training;
 - 5. Narrative summary of changes, progress, and/or problems in the training programs; and
- C. Narrative summary of all class participants' evaluation responses regarding the effectiveness of the training.

6.5.5 QUALITY ASSURANCE REPORT

The Contractor shall present all QA performance audit results to CDHS in the Monthly Quality Assurance Performance Report (MQAPR). In addition to reporting QA audit results in keeping with the reporting specifications contained in the QA Plan, the MQAPR shall describe error rate trends for all areas audited, and propose process improvement to reduce problematic error rates. In analyzing error rate trends, the MQAPR consider not only error rates from formal QA audits, but also PSs generated outside of the QA audit process. The Contractor shall submit the MQAPR to CDHS no later than the tenth (10) business day of each month following the reporting month.

The Contractor shall ensure:

- A. The MQAPR is accurate and thorough, and is prepared in keeping with the specifications and standards found in Exhibit A, Attachment II, Section 4.6.2, Quality Management Program – Quality Management Review, and in the Contractor's QASPM;
- B. Each monthly report not only identifies each operational area reviewed during the reporting month and the results of the audits performed on those areas, but also lists the operational areas not reviewed during the reporting month. For each area that was not reviewed, the date on which it was last reviewed shall be reported; and
- C. The report contains at a minimum:
 - 1. Graphs showing the error rate for each operational area from the beginning of the HCO Operations through most current month in which an audit was performed (up to and including the current reporting month);
 - 2. A discussion of the specific operational areas with the highest and/or most persistent error rates. This discussion shall identify, to the extent possible the root causes of the problematic error rates identified;
 - 3. A discussion of all adverse impacts of the problematic error rates identified in the previous item; and
 - 4. Recommended process and/or policy changes that are likely to reduce the reported high or persistent error rates, and specific proposals for implementing those recommendations.

6.5.6 PROBLEM CORRECTION SYSTEM REPORT

The Contractor shall submit reports on a monthly basis to include, but not be limited to a monthly PS Status Report.

- 1. The report shall identify all open PSs sorted by:
 - a. PS Number;
 - b. Project Manager and, secondarily, by the affected subsystem; and
 - c. Priority.
- 2. The report shall include:
 - a. PS Monthly Summary;
 - b. Open PS Aged Summary;
 - c. Contractor's PS Aged Summary;
 - d. State's PS Aged Summary;

- e. IR Overdue (exceeded processing timeframes) Detail;
 - f. CAP Overdue (exceeded processing timeframes) Detail; and
 - g. CN Overdue (exceeded processing timeframes) Detail.
3. The report shall provide the following information for each PS that has exceeded processing timeframes:
- a. A statement of why the PS has exceeded processing timeframes;
 - b. An estimate of the number of hours still required to resolve the PS; and
 - c. The estimated date by which each PS will be resolved.

6.5.7 TRAINING ATTENDANCE REPORT

The Contractor shall submit a report on an annual basis to include, but not be limited to a report documenting Contractor staff attendance at all required training classes provided during the previous year. This report must include, at minimum:

- 1. Staff name;
- 2. Training class attended;
- 3. Date of last training;
- 4. Due date for next training;
- 5. Overdue date (if applicable);
- 6. If overdue, identify reason(s) for delay in training or non-attendance; and
- 7. Functional area in which the staff works.

6.5.8 RECORDS RETRIEVAL REPORT

The Contractor shall submit reports on a monthly basis to include, but not be limited to a Records Retrieval Performance Report (RRPR).

- A. The report shall include, at a minimum, the following information for total unduplicated requests for each type of record requested:
- 1. Date of request;
 - 2. Total number of copies requested;
 - 3. Date request fulfilled;

4. Total number of copies delivered;
 5. Total number of copies delivered late;
 6. Total number of requests partially fulfilled;
 7. Total number of requests not fulfilled, but still in process (including requests carried forward from previous reporting months); and
 8. Total number records determined to be either undeliverable, irretrievable, or both in the current reporting period.
- B. For records the Contractor delivered late, and for requests that were either partially fulfilled or unfulfilled, the RRPR shall specify:
1. The document type/category (Choice Form, plan correspondence, C-letter, etc.);
 2. The document identification number(s) (Document Control Number, C-letter number, report number, etc.);
 3. For records that were delivered late, the number of days each was late;
 4. For undelivered records (including those carried over from previous reporting months), the number of days late for each record, and the expected delivery date;
 5. The number of documents determined to be undeliverable and/or irretrievable during the current reporting period; and
 6. The reasons behind each delayed, undelivered, undeliverable and irretrievable record.
- C. The RRPR shall summarize, by requestor, the number of HCO Program records requested during the reporting month. This summary shall contain subtotals by document type, and overall totals for each requestor.
- D. All records reported as 'not delivered' or declared as undeliverable or irretrievable shall be carried forward and included in the next monthly report. The final disposition of every record request must be reported before that request is no longer carried forward into the next reporting period. If requests are dropped from the monthly progress prior to being either delivered or declared undeliverable or irretrievable, a Problem Statement shall be submitted.

6.5.9 DISASTER PREVENTION AND RECOVERY REPORT

- A. The Contractor shall submit reports on a monthly basis to include, but not be limited to a monthly report of the safety meeting held during that month. The report shall include:

1. Staff in attendance; and
 2. Topics discussed.
- B. The Contractor shall submit reports on a quarterly basis to include, but not be limited to a report of the emergency preparedness drill conducted during that quarter. The report shall include:
1. The type of drill performed;
 2. The success/failure of the drill; and
 3. The training to be implemented based on the findings of the drill.

6.5.10 MONTHLY PROGRESS REPORT

The Contractor shall submit a Monthly Progress Report each month to include, but not be limited to:

- A. Table of Contents;
- B. Narrative of the month's activities and issues, and a forecast of upcoming and future activities;
- C. Monthly Report Summary;
- D. A computation reflecting levels of performance for all Contract requirements and to include a twelve (12) month running history; and
- E. A compilation of the daily and weekly status reports for the month.

6.6 REPORT PRODUCTION REQUIREMENTS

The Contractor shall:

- A. Ensure that all report headings have a standard format. The heading shall include:
 1. Report name;
 2. Report number;
 3. Program Unit name;
 4. Date and time the report was produced;
 5. Reporting period covered by the report; and

6. Page number (numeric).

The above listed elements shall be consistent throughout all HCO reports and may be modified at CDHS's discretion by the contracting officer in writing.

- B. Produce all reports in a legible format, approved by CDHS.
- C. Submit any modifications to change the paper stock used for hardcopy report production to CDHS for approval of paper size, color and weight prior to making the change.
- D. Verify that the information and/or records used in the production of all reports are the most current and accurate available. The Contractor shall also verify that the information and/or records used are the most appropriate for the report on which they are based.
- E. Verify that the reports balance within themselves.
- F. Verify that the reports reconcile with other reports with similar data.
- G. Generate corrected copies of any report, within five (5) business days of the date CDHS or the Contractor determines that the report is inaccurate or deficient. Corrected copies shall be generated for any reports containing report deficiencies identified by CDHS up to six (6) months from the report production date. Ensure that all corrected and re-run reports are clearly identified as corrected/re-run in the report header, and that all corrections made are highlighted. A Problem Statement shall be issued, per requirements stated in Exhibit A, Attachment II, Section 4, Problem Correction Process, covering each corrected report.
- H. Produce and deliver to CDHS a biweekly listing of all reports produced during the previous two (2) weeks. This listing shall include:
 - 1. Report name and number;
 - 2. Production date and time;
 - 3. Date of report (reporting period covered by the report);
 - 4. Type of media;
 - 5. Number of copies of each report produced; and
 - 6. Delivery location of each report.

6.7 REPORTS DELIVERY

The Contractor shall:

- A. Deliver reports to report users as listed in CDHS-approved Reports Distribution List, on a timely basis as defined below. Delivery shall be made on State business days as outlined in the Report Distribution List, unless otherwise required by CDHS. Report delivery is deemed to be timely if delivery to the end user occurs on or before the following delivery deadlines: (The noon date stamp circumstance will not apply to reports received by 2:00 PM of the day due.) (All times are Pacific Standard Time.)
1. Daily Reports: Deliver by 2:00 PM the first (1st) business day following the report production date;
 2. Weekly Reports: Deliver by 2:00 PM on the third (3rd) business day of the week following the reporting week;
 3. Monthly and Bi-monthly Reports: Deliver by 2:00 PM on the tenth (10th) business day of the month following the end of the reporting month;
 4. Quarterly Reports: Deliver by 2:00 PM on the tenth (10th) business day of the month following the report quarter;
 5. Semi-Annual/Annual Report: Deliver by 2:00 PM on the tenth (10th) business day of the month following the reporting period;
 6. On-Demand/On-Request/Ad-hoc Reports: Deliver per state instructions associated with the request. Statistical and/or research reports are due to CDHS within thirty (30) calendar days of the date the report was requested;
 7. On-line Reports – Data available by 10:00 AM the day following the report date.
 8. Special Reports – Deliver within ten (10) State workdays of CDHS's request, unless otherwise directed by the Contracting Officer.
 9. Copies of Existing Reports: The Contractor shall provide CDHS, on request, up to ten (10) additional copies of any existing report. The Contractor shall have five (5) business days from the date on which a request for copies is received to deliver the requested copies.
- B. Deliver printed reports utilizing, but not limited to, the Contractor's courier service, U.S. Mail, or parcel service. The service used shall maintain compliance of all HIPAA requirements;
- C. Ensure that delivery receipts are prepared for reports delivered to each report user and/or receiver, located within a thirty (30)-mile radius (as determined by freeway access) of the California State Capitol Building in Sacramento. The delivery receipt shall include:
1. Current Date;
 2. Report User Name or Receiver of Report;

3. Delivery Location;
 4. Report Frequency;
 5. Report number;
 6. Report name;
 7. Reporting period; and
 8. Space for signature and date for report user and/or receiver.
- D. Mail printed reports with a destination outside a thirty (30)-mile radius (as determined by freeway access) of the California State Capitol Building in Sacramento via the United States Postal Service, or other approved parcel delivery service, adhering to all HIPAA requirements.
- E. Provide reports in the media as defined in the Reports Distribution List or as specified in writing by CDHS.

6.8 REPORTS TO MANAGED CARE PLANS

The Contractor shall submit lists or files, on a weekly basis, directly to the managed care plans regarding those beneficiaries who have been enrolled in and disenrolled from the managed care plan and the primary care provider selected by the beneficiary (if applicable) through the HCO Program.

The reports shall include all information provided on the Choice Form, e.g., beneficiary name, address, pregnancy information, etc. A copy of the weekly report to the plans shall be sent to CDHS in a format and media approved by CDHS.

On a weekly basis, the contractor shall report to each applicable plan the past week's packet mailings for each county in which the plan has a Medi-Cal managed care contract. A copy of the weekly report to the plans shall be sent to CDHS in a media and format approved by CDHS.

6.9 AUTOMATED SYSTEM REQUIREMENTS

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to the previous requirements in Exhibit A, Attachment II, Section 6, Reports.

6.9.1 GENERAL REQUIREMENTS-AUTOMATED SYSTEM

The Contractor Shall:

- A. Provide ad hoc reporting capability. For the purposes of this section, an ad hoc report is defined as a report consisting only of data tables and/or standard

- graphical displays, prepared using currently available electronic data. Ad hoc reports can either be prepared by State staff using standard user interfaces to the HCO system (or other automated systems), or can be prepared by the Contractor for submission to CDHS. Reports that require the acquisition of new data, non-standard analytical techniques, custom presentational formats and/or narrative discussion shall not be considered “ad hoc reports” and shall not be subject to the provisions of this section (some such reports may be considered to be “research” or “statistical” studies, as determined by CDHS). An unlimited number of ad hoc reports can be run or requested by CDHS at no cost to CDHS. CDHS may require ad hoc reports developed by the Contractor to be re-run and/or updated using different input data, different record-selection logic, different time periods, etc. The Contractor shall save report parameters to facilitate reruns.
- B. Make all reports available in a standard electronic format (or formats) as directed by CDHS. Electronic copies of reports must be readily available to CDHS over a local area network, a wide area network, an Intranet, the Internet, or other suitable form of interconnectivity, as specified by CDHS. State staff and managers shall be provided with query and ad hoc reporting interfaces to the HCO system, as well as any other automated system identified by CDHS. The Contractor shall impose no limits on the data available to CDHS for queries and ad hoc reports, unless such limits are approved by CDHS. Regular training and ongoing support shall be available to users of these interfaces. Users shall have the ability to save all queries and ad hoc reports for both their own future use, as well as for the use of other users.
 - C. Be able to deliver On-line or Electronic Reports: Data shall be available on the Website by 7:00 AM the day following the report production date; and
 - D. Deliver printed reports utilizing, but not limited to, the Contractor's courier service, United States Postal Service (U.S.P.S.) or parcel service; electronic reports can be delivered via e-mail, posting to a secure web site, or other approved electronic distribution system.

6.9.2 TROUBLE REPORTING PROCEDURES AND REPORTS

This section shall describe in detail all HPE System operation trouble reporting procedures and report formats. It shall contain the specific requirements and procedures that Contractor staff are to follow when completing a Trouble Report to document the application of emergency fixes and reporting those fixes to CDHS (via the Problem Correction System). HPE System operation Trouble Reports, which shall be submitted to CDHS weekly, shall contain relevant information, incident date and time, the nature of the problem, the solution implemented, the manager involved, and any override indicator.

6.9.3 BALANCING PROCEDURES AND REPORTS

This section shall describe the procedures to be used to balance, verify, and reconcile all HPE operation reports and jobs, where applicable. It shall also describe

all weekly reports that present the results of balancing, verification, and reconciliation procedures.

7.0 TRAINING

7.1 OVERVIEW

The Contractor shall develop, submit for approval, and maintain a comprehensive Training and Personnel Development Program for designated federal, CDHS and county staff. The Contractor shall also provide training for Takeover activities, as specified in Exhibit A, Attachment I, Section 1.7.4, Takeover – Training and Personnel Development Program and Training Plan

7.2 OBJECTIVES

The Contractor's Training and Personnel Development Program requirements shall:

- A. Ensure that Contractor staff receives training in the Medi-Cal Managed Care Programs, statutes, regulations, and policies with which operations under the HCO Contract must comply. New training modules shall be created to cover all new regulations, statutes or policies that make operational changes under the Contract necessary.
- B. Ensure State staff is trained on all Contractor's HCO Program Operations including, but not limited to, all of the Contractor's application software and use of hardware, to promote a comprehensive understanding of program procedures and policies related to the enrollment process; and
- C. Ensure quality performance and competence in the execution of the Contractor's responsibilities by those designated as being responsible for the ongoing HCO Operations under this Contract.

7.3 ASSUMPTIONS AND CONSTRAINTS

- A. Contractor's training staff shall possess professional and technical skills pertinent to the Training and Personnel Development Program subject matter described below.
- B. All training classes and education sessions shall be open to State-authorized federal, State and county personnel.
- C. All State staff training shall be conducted in the Sacramento area.

7.4 TRAINING AND PERSONNEL DEVELOPMENT PROGRAM

- A. In addition to training requirements specified elsewhere in this Contract, the Contractor shall provide a comprehensive Training and Personnel Development Program for federal, State and county staff as instructed by CDHS. The Contractor shall:
 - 1. Provide training that is specifically directed to the HCO Program to ensure that the federal, State and county staff attendees understand the HCO Program. At a minimum, training shall encompass sessions as required by

CDHS and/or as determined by the Contractor to cover HCO Program changes, new or modified policies, new program regulations, new equipment, process enhancements and new process procedures. This training shall include any new technology that may be used to perform Contract responsibilities.

2. Provide, at a minimum, training sessions on a quarterly basis for State staff, planning a minimum attendance of five (5) State staff. Training shall include on-going courses for permanent State staff and orientation training for new State staff. The on-going training shall be oriented to the specific State staff skill level, while the orientation training shall be oriented to new State staff, recently assigned their duties.
3. Develop materials, design courses, and supply resources necessary to train State staff on the functional operation of all aspects of the Contract responsibilities. Tours of the Contractor's facilities, and any subcontractor's facilities, as well as explanations and walk-throughs of operations shall be included. Tours of the facilities shall be made available to State staff upon request by CDHS.
4. Submit to CDHS copies of the Training Manual and all updates throughout the term of the Contract.
5. Conduct, as requested by CDHS, the HCO Training Program developed during Takeover for:
 - a. State staff;
 - b. County Department of Public Social Services staff;
 - c. Consumer advocacy groups;
 - d. Interested parties in a lawsuit;
 - e. Health plan staff;
 - f. Federal staff and/or local officials;
 - g. Community-Based Organizations; and
 - h. Other parties and organizations impacted by the HCO Program and legislation.
6. Provide detailed training on its HPE System for up to forty (40) State-designated staff prior to Assumption of Operations.
7. Provide access to a minimum of five (5) State staff in any training of Contractor staff involving HCO Program responsibilities or operation of the HPE System.

8. Provide training to State staff on the HPE System operational changes implemented in response to change orders, amendments etc.
9. Make appropriate changes and/or modifications to the Training Program as deemed necessary by CDHS within ten (10) business days in cases where CDHS disapproves Contractor training recommendations.

7.5 TRAINING PLAN

The Contractor shall develop and update annually the staff Training Plan as described below, which will include orientation, continuing education, and ongoing HCO Program Operations training of State staff. The Training Plan, subject to approval by CDHS, shall be submitted in the Training Manual, during Takeover.

7.5.1 ANNUAL TRAINING PLAN UPDATE

On a yearly basis, the Contractor shall update the Training Plan to address all training programs scheduled. The Contractor shall submit the yearly update to CDHS for approval, with written notification of any changes or modifications to the Training Plan, within thirty (30) calendar days of the first (1st) day of the calendar year after the Contract Effective Date (CED), and annually thereafter.

7.6 CUSTOMER SERVICE TRAINING PLAN

- A. The Contractor shall maintain a training and development program for appropriate Contractor staff to ensure maximum knowledge and understanding of managed care and the HCO Program. Training shall ensure that Contractor staff are able to apply managed care and HCO Program policy and procedures to assist beneficiaries in making informed choices. This and all training provided by the Contractor shall meet the requirements appearing in this Section.
- B. The Contractor will be responsible for providing Medi-Cal Managed Care Program and HCO Program orientation and training, as requested, to County DPSS staff and community based organizations.

7.7 REPORTS TRAINING PLAN

The Contractor shall:

Maintain a training and development program for appropriate State staff to ensure maximum use and understanding of all reports. Training shall ensure that users are able to interpret HCO reports to a degree that will allow for effective use. The Contractor shall provide three (3) training sessions each State fiscal year for State staff only. This training shall be in addition to all other training required by the Contract.

7.8 SECURITY AND CONFIDENTIALITY TRAINING PLAN

The Contractor shall:

- A. Ensure all Contractor staff are familiar with the Security and Confidentiality Policy;
- B. Establish and maintain a Security and Confidentiality Training Program that is specifically designed for all levels of Contractor staff. All persons responsible for the handling or processing of, or who have access to, confidential information shall participate. Such training shall occur no later than ten (10) business days after CDHS's review and approval of the Training Program. The Training Program shall be given annually to ensure a continual awareness of Security and Confidentiality requirements. Additionally, new employees shall receive Security and Confidentiality training within five (5) business days of their employment start date before they are provided access to confidential data.
- C. Ensure all employees having access to CDHS's network and attend CDHS's Information Security Training annually. Failure to complete such training will result in the employee being removed from CDHS's network until such requirements are met. Any employees found to be in violation of the policies set forth in this agreement, as well as the agreements set forth in the training course, will be removed from CDHS's network indefinitely. All changes in employee status (e.g., new hires, promotions, or separations) must be reported to CDHS immediately.

7.9 DISASTER PREVENTION TRAINING PLAN

The Contractor shall:

- A. Ensure training is conducted once a year for both Contractor and State staff regarding the Disaster Prevention and Recovery Plan and Procedures;
- B. Conduct quarterly, unannounced emergency preparedness drills to ensure the effectiveness of safety instruction and procedures. The schedule for these drills will be submitted to CDHS for review and approval at the beginning of each calendar year; and
- C. Conduct monthly safety meetings with assigned staff to address changes in policy and/or procedures. A State representative shall be invited to attend each meeting.

7.10 AUTOMATED SYSTEM REQUIREMENTS

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to the previous requirements in Exhibit A, Attachment II, Section 7-Training.

The Contractor shall provide training to Contractor and State staff on the HPE System operational changes implemented in response to change orders, amendments and/or SDNs.

Include State on-line access for use of the system and its software for quarterly training sessions.

8.0 RECORDS RETENTION AND RETRIEVAL

8.1 OVERVIEW

All Health Care Options (HCO) Program documents, generated and/or received by the Contractor shall be maintained by the Contractor in order to allow for retrieval for use by CDHS, the Contractor or other State-authorized interested parties, during the term of the Contract and for no more than seven (7) years following the Contract Termination Date (CTD), unless they are involved in litigation, as outlined below. Required record retention durations are specified in Section 8.5 below.

The Contractor shall be responsible for serving as the custodian of all HCO Program Records.

8.2 OBJECTIVES

The Records Retention and Retrieval requirements as noted in this section shall:

- A. Ensure all HCO Program records are retained in formats readily accessible to allow for easy retrieval by both the Contractor and CDHS; and
- B. Ensure Contractor compliance with State and federal laws governing security and confidentiality of all documents containing Protected Health Information (PHI). The document management process shall be capable of identifying PHI and/or confidential information.

8.3 ASSUMPTIONS AND CONSTRAINTS

- A. The requirements for records retention and retrieval differ depending on whether the records are:
 - 1. The Contractor's corporate and/or business financial records; or
 - 2. HCO Program records.
- B. Rules governing the maintenance and disposition of corporate and/or business financial records are contained in Exhibit E, Additional Provisions. This section, Records Retention and Retrieval Requirements, governs the Contractor's responsibilities for HCO Program records.
- C. The HCO Program records, to which the requirements in this section apply, include but are not limited to, all correspondence, forms and reports that are part of, produced from, or generated as a result of HCO Program activities.
- D. The Records Retention and Retrieval requirements established in this section do not supersede, modify, or in any way alter other provisions in this Contract that establish requirements for the use of enabling technology to retrieve HCO Program information.

- E. CDHS may require the Contractor to submit paper copies of up to one thousand (1,000) HCO Program records annually.

8.4 RECORDS RETENTION AND RETRIEVAL POLICY AND PROCEDURES (RP&P) MANUAL

The RP&P manual shall describe the specific steps the Contractor must follow to achieve full compliance with the records retention and retrieval requirements established in this section. The RP&P shall govern both Contractor and State records retention and retrieval procedures.

The Contractor shall:

- A. Develop, implement, and maintain a State approved RP&P Manual that shall govern the Contractor's records management practices and procedures. The RP&P is to be submitted in accordance with the Takeover requirements contained in Exhibit A, Attachment I, Takeover.
- B. The Contractor shall maintain and update the RP&P manual to insure that it accurately reflects all changes to the Contractor's records retention procedures. Procedural changes and all corresponding RP&P manual revisions shall be submitted to CDHS for approval prior to implementation. Once State approval of proposed RP&P revisions has been granted, the Contractor shall have fifteen (15) calendar days to update all Contractor-maintained copies of the RP&P to reflect all approved revisions. The Contractor shall provide CDHS with written certification each time CDHS approves changes to the RP&P that the approved changes have been made within the required fifteen (15) day time RP&P is accurate, current and comprehensive.

8.5 RETENTION OF HCO PROGRAM RECORDS

The Contractor shall:

- A. Maintain a document management process, which shall store all HCO Program records.
 - 1. This process shall enable users to easily identify documents, as well as any alternative format in which each such document is stored.
 - 2. All documents maintained by this process, regardless of format must be complete, fully legible, and fully cross-referenced with all other closely related documents.
 - 3. All records that are not subject to public disclosure shall be identified, along with the reason the public disclosure is not allowed (contains confidential or proprietary information).
 - 4. At any time during the term of this Contract, CDHS may designate additional documents for alternative forms for retention and retrieval.

- B. Provide CDHS with full access to the entire document management process. This access shall extend to printing the documents or saving copies of stored documents on State workstations or servers, if the information is available electronically.
- C. In keeping with all applicable Takeover requirements, if the information is available electronically, submit proposed electronic document management process specifications to CDHS for approval one (1) month prior to Assumption of Operations. If CDHS determines that some documents must also be retained in alternative formats (such as original copies, photocopies, databases, etc.), it will provide the Contractor with a list of all affected documents, and provide retention and retrieval specifications for each listed document.
- D. Preserve, protect and maintain all HCO Program records for a minimum of seven (7) years following the last date of Contract payment or the last date of litigation, whichever is longer.
- E. Keep all records, which have been involved in matters of litigation, for a period of not less than three (3) years following the termination of such litigation, regardless of the expiration or termination of this Contract, or the expiration of the seven (7) year general record storage requirement;
- F. Make all documents, which are subject to the storage and maintenance requirements in this section, fully accessible to and retrievable by CDHS. The access and retrieval requirements in this section shall remain in effect for the time periods specified above even after this Contract has expired or has been terminated;
- G. Preserve, protect, and maintain all HCO Program records relating to or resulting from, the Contractor's operations under this Contract;
- H. Develop and maintain a system for certifying the authenticity of HCO Program records;
- I. Purge, with prior State approval, records that exceed required retention periods, (the Contractor may dispose of HCO Program records only after receipt of written approval from CDHS specifying the time, place, method of disposal, and specific records or group of records to be destroyed);
- J. Transfer HCO Program records to CDHS upon termination of this Contract or to a subsequent Contractor, upon Turnover of this Contract;
- K. Preserve and protect all HCO Program records transferred to the Contractor from the preceding Contractor and CDHS;
- L. Be in compliance with State standards and findings concerning the legibility, completeness, and appropriate cross-referencing of all documents.

8.6 RETRIEVAL OF HCO PROGRAM RECORDS

The Contractor shall submit to CDHS copies of any requested HCO Program records within two (2) business days of receiving a request for those records. If retrieved records must be mailed to their recipient, the Contractor shall have two (2) business days to place the requested records in the mail.

Since many HCO Program records may contain Protected Health Information (PHI/or confidential data, if any electronic formats and/or transmission methods are used, they must be fully secure. The Contractor shall be responsible for identifying documents that contain PHI and/or confidential data and when requested by CDHS, provide those documents containing PHI and/or confidential data separately from those that do not..

A. Whether retrieved from the Contractor's document management process by a State user or by the Contractor in response to a request from CDHS, all retrieved HCO Program records shall meet the following requirements:

1. The original copy of the requested document, including all attachments, shall be included with the documents submitted to CDHS in response to a document retrieval request.
2. If the original document was an attachment to another document, the document to which the original was attached, along with all other attachments, shall be submitted to CDHS in response to a document retrieval request.
3. Upon request from CDHS, the Contractor shall provide certification of the authenticity of any record retrieved. This requirement shall continue for seven (7) years after the final payment of the Contract or the final date of litigation, whichever is longer.
4. The Contractor shall be able to provide CDHS with fully-legible, high-quality printed copies of any HCO Program record within two (2) business days of receiving a request for those copies.
5. The Contractor and State users of the document management process shall be able to access applicant/beneficiary-specific HCO Program records by any of the following: Document Control Number (DCN), Client Index Number (CIN), and Social Security Number (SSN). Users of the document management process shall be able to search for information displayed by name, residence information, date of birth, aid code, medical and/or dental plan membership, etc.;
6. The Contractor shall maintain a Master Index for all HCO Program records under the Contractor's custodianship. For each record listed, this index shall provide all information needed to locate, access, and/or retrieve that record. This Master Index shall be updated when records are added and/or deleted, within two (2) business days of the change. The Contractor shall have the capability to provide CDHS with a printed copy of the Master Index upon request. Upon receiving a request from CDHS for a printed copy of the

Master Index, the Contractor shall have three (3) business days to submit that copy. The Master Index shall include the following information about each HCO Program record maintained by the Contractor:

- a. The name and identification number of each record;
 - b. The medium or media of retention (e.g., the Contractor's document management process, paper, other medium);
 - c. The process to be used to access the record;
 - d. The length of time the record has been and will continue to be maintained;
 - e. Final disposition (e.g., indefinite retention, removal and destruction, archive);
 - f. The initial Master Index shall be delivered to CDHS during Takeover one month prior to the Assumption of Operations; and
 - g. The summary shall be organized by record type (e.g., Choice Form, plan correspondence, operation report).
7. The Contractor shall provide CDHS with the capability to submit requests for printed copies of HCO Program records. The Contractor shall propose during Takeover a request submission format for State review and approval.
 8. In the event of unsuccessful access of an HCO Program record, which is subject to the requirements of this Section, a Problem Statement shall be generated. This requirement applies equally to failures on the part of State staff and managers to directly retrieve records from the document management process, and to failures on the part of the Contractor to retrieve documents requested by CDHS. If a record access attempt fails due to misspecification of the search criteria (the specified CIN or DCN does not exist, for example), the Contractor shall inform CDHS in writing of the reasons for the retrieval failure.
 9. The Contractor shall accept and respond to all Subpoenas Duces Tecum served on the Contractor, and assist CDHS in fulfilling its responsibilities for all Subpoenas Duces Tecum served upon CDHS, for the submission of HCO Program records under the custodianship of the Contractor. The Contractor shall:
 - a. Upon direction from CDHS, retrieve and submit to the parties specified in each Subpoena Duces Tecum all required HCO Program records;
 - b. Report to CDHS which records have been provided under each Subpoena Duces Tecum;

- c. Ensure that deadlines set by CDHS for responding to Subpoenas Duces Tecum are met, and when necessary, provide expert witness testimony regarding the named records by the deadlines established by the Court; and
- d. Notify CDHS in writing prior to responding to Subpoenas Duces Tecum, and/or providing expert witness testimony.

CDHS shall provide no additional reimbursement to the Contractor for complying with the terms of Subpoena Duces Tecum. The Contractor may request payment for such services from the court or the party issuing the Subpoena Duces Tecum. These requirements shall extend to records generated under prior contracts between a prior Contractor and CDHS, when such records remain in the Contractor's possession.

8.7 CERTIFICATION

Upon request from CDHS, the Contractor shall submit documentation acceptable to CDHS to demonstrate compliance with records retention and access requirements and shall certify, in writing, that all requirements of this section have been, and shall continue to be met throughout the life of the Contract. In addition to the requirements specified elsewhere in this section, this certification shall confirm that copies of records received from the prior Contractor are in fact accurate copies of records transferred from the prior Contractor to the current Contractor.

The Contractor's certification procedures shall be subject to State review, modification, and written approval. All State-approved certification procedures shall be included as a separate section of the RP&P.

8.8 ASSISTANCE WITH INVESTIGATIONS, DISPUTES, AND LITIGATION

The Contractor shall assist CDHS in the identification, retrieval, and certification of HCO Program records and any other information needed to support the investigation, prosecution, or defense of cases involving the Medi-Cal managed care program. This requirement applies equally to medical and dental records and information.

- A. Such cases may include, but not be limited to: fraud investigations and/or prosecutions, Notices of Dispute filed by medical and/or dental plans, denials of exemption requests, State recovery efforts, and actions against CDHS.
- B. CDHS shall have the authority to review, modify, and approve in writing the procedures, methods, criteria, or overall approach the Contractor employs to comply with this requirement.
- C. Documents requested by CDHS for use in CDHS Fair Hearings process shall be delivered CDHS within ten (10) business days of date of request.

8.9 ACCESS

The Contractor shall establish and maintain procedures, consistent with the security provisions of this Contract, for providing authorized State and federal employees, agents, or representatives with access to all HCO Program records held in the Contractor's custodianship. These access procedures shall be approved by CDHS and maintained in the RP&P manual. All such procedures shall be subject to modification by CDHS at any time.

The Contractor shall maintain accurate records of all document/record access operations, whether carried out in the form of information searches against the Contractor's document management process, or of the access of records from other repositories in response to requests from CDHS.

8.10 AUTOMATED SYSTEM REQUIREMENTS

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to the previous requirements in Exhibit A, Attachment II, Section 8-Records Retention and Retrieval.

8.10.1 GENERAL REQUIREMENTS-AUTOMATED SYSTEM

The Contractor shall:

- A. Retain all HCO Program records in an appropriate electronic format (scanned image, native application format, etc.). All electronic records shall be stored and maintained in an industry-standard document management database that provides extensive, efficient, and reliable search and retrieval functionality. This document management database system shall be transferable to any other software, as directed by CDHS.
- B. Documents designated for retention in any non-standard form must also be stored as electronic images.
- C. Preserve, protect and maintain all original HCO Program records in hardcopy, for a minimum of ninety (90) calendar days following production and/or receipt. The electronic versions of the hardcopies (as required in this section, are to be maintained in an automated electronic documents management system for a period of not less than three (3) years after the expiration or termination of the Contract); and;
- D. Make available to CDHS workstations through which State staff may access the document management database system whenever access through CDHS's own network is unavailable (due, for example, to an infrastructure failure on CDHS's network). State staff shall have at least the same level of access as was available through its own network. No records, fields, tables, views, queries, reports, or any other database components that were available via CDHS's network shall be unavailable via the workstations provided by the Contractor. Nor shall access be subject to any additional security layers requiring additional authentication. Unless the Contractor receives written approval from CDHS to

use these workstations for other purposes when they are not needed by CDHS, they shall be dedicated solely to providing CDHS with access to the document management database system.

- E. Propose, for State review and approval, the electronic format or formats in which records shall be made available, as well as the methods that shall be used to transmit electronic copies of HCO Program records to CDHS. CDHS may request either a paper or an electronic copy of any available HCO Program record.
- F. Provide a Master Index that shall be available electronically, either as a separate database, or as a component of the Contractor's electronic documents management database system.

9.0 SECURITY AND CONFIDENTIALITY

9.1 OVERVIEW

This section describes the requirements for Security and Confidentiality activities to be implemented by Contract Effective Date (CED) and continued throughout the term of the Contract. If the Contractor initially uses temporary facilities, interim plans shall be submitted as a separate part of the Security and Confidentiality Plan that clearly addresses how the Contract requirements shall be met in the temporary facilities.

9.2 OBJECTIVES

The Security and Confidentiality requirements in this section shall:

- A. Ensure security and confidentiality of all data, facilities, equipment and staff associated with this Contract;
- B. Ensure compliance with State and federal regulations – including the Health Insurance Portability and Accountability Act (HIPAA) regulations regarding security and privacy of Protected Health Information (PHI), Exhibit H, HIPAA Business Associate Addendum; and
- C. Ensure the development and maintenance of a Security and Confidentiality Plan outlining the policies and procedures for the storage, processing and handling of all information (including PHI) by the Contractor and subcontractors as well as the security of all facilities, equipment and staff associated with this Contract to ensure compliance with regulations;

9.3 GENERAL RESPONSIBILITIES

The Contractor is responsible for ensuring that the Contractor's HCO facility(ies) are safe and securely protected, and that all HCO Program information designated as confidential information be maintained secure from breach and not provided, either intentionally or accidentally, to parties not authorized to have access to such information.

9.4 SECURITY AND CONFIDENTIALITY PLAN

The Contractor shall develop, implement and maintain a Security and Confidentiality Plan that:

- A. Provides the processes and procedures to ensure adequate physical and operation security for the various operations related to those portions of the network not supported by the Department of Technology Services (DTS) as well as prevents unauthorized disclosure of confidential information;
- B. Addresses all Contractor facilities associated with this Contract, whether temporary or permanent;
- C. Includes a list of all authorized staff and their levels of access;

- D. Provides detailed standards and procedures for the following items:
 - 1. Marking of sensitive information;
 - 2. Storing of sensitive information, including custodial responsibility;
 - 3. Access, and duplication of sensitive information;
 - 4. Disclosure of sensitive information, including approving authority;
 - 5. Disposal of inactive sensitive information, including secure archives and shredding;
 - 6. Compilation of a list of all classes and types of HCO documents, information; and
 - 7. Confidentiality classification criteria for each item on the compiled list from item 6 above.
- E. Establishes procedures for dealing with the following potential categories of threats to sensitive information:
 - 1. Accidental disclosure, modification or destruction because of hardware error, process error, human error, or a combination of these; and
 - 2. Casual access, resulting in unauthorized disclosure, modification and/or destruction by, but not limited to:
 - a. Non-technical persons such as terminal operators, support staff, janitors, maintenance workers, vendors or subcontractors;
 - b. Skilled technicians such as operations staff, or others who have significant expertise in all process areas;
 - c. Managers, supervisors, and others with authorized access;
 - d. Premeditated criminal acts;
 - e. Natural disasters; and
 - f. Labor strikes.
- F. Addresses the requirements contained in this Section and with the following authorities:
 - 1. 45 Code of Federal Regulations, Section 205.50;
 - 2. California Public Records Act (California Government Code §6250 et seq.);

3. Welfare and Institutions Code Sections 10850, 10850.1, 10850.2 and 14100.2;
 4. Title 22 California Code of Regulations Section 51009;
 5. California State Administrative Manual, Section 4800;
 6. Information Practices Act of 1977 (Civil Code §1798 et seq.);
 7. Confidentiality of Medical Information Act (California Civil Code §56 et seq.);
 8. HIPAA;
 9. Federal Information Processing Standards (FIPS); and
 10. Electronic Data Processing Security.
- G. Addresses processes for transportation and information holding resources, both temporary and permanent, used by the Contractor throughout the term of the Contract, and the facilities which handle both electronic and/or hard copy information
- H. Establishes a Security and Confidentiality training program that is specifically designed for all levels of Contractor and State HCO staff.

9.4.1 SECURITY

The Contractor shall:

- A. In addition to the plans and deliverables stated in this Section, provide all Security and Confidentiality procedures and/or related documentation to CDHS within one (1) business day after receipt of a request from CDHS;
- B. Submit, on a yearly basis beginning two (2) months prior to Assumption of Operations and continuing every January fifteenth (15th) of each year, written documentation, the template of which to be submitted during Takeover for State approval, to demonstrate compliance with all Security and Confidentiality requirements in this Section. The Contractor shall certify, in writing, that all requirements of this Section have been and shall continue to be met throughout the term of the Contract. This may include periodic compliance assessments upon State request to demonstrate compliance with new State and/or federal requirements; this requirement will not be met until CDHS approves in writing the deliverable each time it is submitted.
- C. Permit authorized State and federal representatives to access any facility, equipment, and related materials covered by this Contract. Such access shall be at the discretion of CDHS as described in Exhibit E, Additional Provisions, unless applicable law grants independent access to representatives of other State and federal agencies. Only authorized State representatives shall have twenty-four

(24) hour access to any HCO or subcontractor facility for the purpose of unannounced inspections and monitoring activities;

- D. Secure all Contractor facilities so that only authorized persons designated by CDHS are permitted entry into the facility, and that such persons are restricted to those areas that they are permitted to access. Access control requirements shall include:
1. Facility entry and control points shall be locked or guarded at all times; lock codes shall be changed every six (6) months throughout the Contract term. Control points shall be established for each of the following areas: main entrance to the facilities, service entrances, loading platform or garage entrances; inside entrance to the facility, and secondary entrances.
 2. The facility(ies) shall be monitored by security guards between the hours of 6:00 a.m. and 8:00 p.m., Monday through Friday, and 6:00 a.m. and 6:00 p.m., Saturday, excluding State holidays. The security staff shall be responsible for entry into the facility; however, the Contractor staff shall be responsible for the issuance of facility badges and contacting the appropriate staff for escorting guests into the facility(ies).
 3. Closed-circuit TV shall monitor and record vulnerable areas (e.g., using surveillance cameras with video recording equipment), including but not limited to: the reception area; all outside entrances to the facility; inside entrances to the HCO Program areas, if other Contractor accounts are served from the same location; loading docks and garages; operations facilities/room; and on/off-site vault storage areas. The closed-circuit TV and recording system shall link up to a monitoring station that is operative twenty-four (24) hours a day, seven (7) days a week. The recorded information for each twenty-four (24) hour period shall be logged and kept for a minimum of ninety (90) calendar days from the date recorded. The recorded information shall be available to CDHS for viewing within twenty-four (24) hours of the request.
 4. Ensure parking lots are well lighted. Personnel to provide safety escort service shall be available to both State and Contractor staff working before and after daylight hours, from the facility to their means of transportation within the parking lot, upon request, between the hours of 6:00 a.m. and 8:00 p.m., Monday through Friday, and 6:00 a.m. and 6:00 p.m., Saturday, excluding State holidays. Such service shall be available without endangering the integrity of the remaining security system.
 5. Provide to CDHS on a monthly basis a current list of all authorized staff and their levels of access. Upon change of duty or termination of Contractor staff, access authority shall be updated or removed within one (1) business day.
 6. Require a badge and/or key card system for staff and visitors. Staff badges shall denote the level of access allowed to the individual. Visitor badges shall denote whether escort by Contractor or authorized State staff is required. The key card, if used, shall be re-coded every six (6) months throughout the

Contract term, unless the Contractor proposes and CDHS accepts an equivalent system that will provide equal protection for the facility environment.

7. Require a key card system for entrance to all State-designated areas. The Contractor shall record access of staff entering CDHS-designated areas and submit a security access report to CDHS each month. The report must include, but not be limited to, badge number, name of employee assigned to the badge number, designated section or unit the employee is assigned to work, whether any Contractor or State staff were denied entry, and the date, time, and location of the access.
 8. Log the entry and exit of visitors and messengers by visitor name; agency represented; date and time of arrival and departure; and name of individual to whom visit is made. Identification and/or credentials of all visitors shall be checked. Visitors shall be given badges and escorted to their destination by the Contractor staff, State employee, or security guard. A copy of the entry log shall be submitted to CDHS monthly.
 9. Secure and lock the telephone room and any junction boxes between the telephone room and the operations room at all times with key control under the supervision of the building and/or data processing management. The appropriate State staff shall have access to all operations rooms and phone rooms, as part of standard network staff badge access as directed by CDHS.
 10. Secure and lock the operations and equipment room/facilities at all times.
 11. Protect the facility(ies) against intrusion during non-working hours with an appropriate surveillance alarm extended to the manned monitoring center.
- E. Require passwords to access Medi-Cal Eligibility Data System (MEDS) and any other system needed to perform HCO Program Operations functions via computer terminal.
- F. Protect all information files to prevent unauthorized access.
- G. Develop and submit to CDHS procedures for the handling, packaging, and transportation of sensitive and confidential information, and resources. The procedures shall ensure against unauthorized access.
- H. Ensure only authorized persons may access, commensurate with a person's required duties:
1. Sensitive or confidential information;
 2. Process programs and process documentation, including procedure manuals; and
 3. Operations room, information libraries, and vaults.

- I. Establish and maintain internal security procedures and set safeguards in effect, which protect against possible collusion between Contractor employees and any other party, as well as safeguard against other potential security breaches.

9.4.2 CONFIDENTIALITY

The Contractor shall:

- A. Maintain the Master Index of records. Indexed records shall be classified either as "Public" (per Public Records Act, Government Code Section 6250 et seq.) or "Confidential" as defined in Section 5, Security and Confidentiality Plan below, as well as HIPAA regulations regarding PHI. CDHS shall respond to Contractor questions regarding the classification of information. The Contractor shall not disclose information classified as confidential without advance written authorization from CDHS.
- B. Ensure information, data, and/or programs of any type, as well as statistical and analytical material and reports based on material used by the Contractor that is not confidential under this paragraph, but are related to the administration of the HCO Contract, shall not be disclosed by the Contractor to any person or entity without first obtaining the written authorization from CDHS.
- C. Ensure sensitive information is handled and stored in such a manner as to preclude unauthorized disclosure. It shall be stored in secured archives or, if destruction is necessary, it shall be shredded. The integrity of sensitive information shall be protected from unauthorized disclosure at all times, including while in transit.

9.4.3 RISK ANALYSIS/ASSESSMENT

In order to ensure that all PHI shall remain secure and confidential, the Contractor shall perform an analysis of the risks that exist to keep that information private.

The Contractor shall:

- A. Perform and document a detailed Risk Analysis/Assessment report, which defines all risks associated with collection, storage, processing, transition, transportation, discarding or use of information under this Contract.
- B. Provide the Risk Analysis/Assessment report that contains timeframes for implementing the specified safeguards.
- C. Ensure the Risk Analysis/Assessment report be submitted as a separate document.
- D. Ensure all backup documentation and safeguard review materials are delivered to CDHS simultaneously with the Risk analysis/assessment report. Annually, or as the Contractor or CDHS become aware of, the Contractor shall perform additional Risk Analyses/assessments; review implemented safeguards; and modify, add, or delete safeguards as the need arises and as CDHS requests.

- E. Ensure the Risk Analysis/Assessment report is submitted to CDHS for review, and that safeguard implementation is completed, two (2) months prior to Assumption of Operations. On or before January fifteenth (15th) of each year, or as risks not addressed or addressed insufficiently are found, the Contractor shall have performed and then submit additional Risk Analysis/Assessment reports, review implemented safeguards, and modify, add, or delete safeguards as the need arises or as CDHS requests.
- F. Perform a risk analysis, and submit a Risk Analysis/Assessment report and a Corrective Action Plan for each identified issue to CDHS no later than ten (10) business days of written notification and/or Contractor identification of the risk.

9.4.4 NATIONAL PROVIDER IDENTIFIER (NPI)

The Contractor shall design, develop and implement the record changes necessary for the National Provider Identifier (NPI) standard. The Centers for Medicare and Medicaid Services (CMS) has adopted NPI as the standard unique identifier for healthcare providers to use in filing and processing healthcare claims and other transactions. The NPI is a new number that will be issued through the National Provider System and replaces all “legacy” identifiers that are currently being used.

The Contractor shall:

- A. Accommodate provider numbers using the NPI standard;
- B. Ensure compliance to HIPAA rulings for the NPI standard;
- C. Capture and store the NPI within the Enrollment Processing Solution;
- D. Ensure all process output utilize the NPI; and
- E. Update HPE System processes and user documentation to replace all references of the current provider number with the NPI.

9.5 MEDI-CAL POLICY MATERIALS SECURITY AND CONFIDENTIALITY

The Contractor, and all its subcontractors and vendors, shall comply with all security and confidentiality requirements specified in this Contract throughout the Contract term. The Contractor shall meet the following requirements:

- A. The Contractor shall maintain complete confidentiality during the development process of new Medi-Cal publications and shall not make such publications available to any party, private or otherwise, without State express written authorization during the development of the publication.
- B. The Contractor shall preserve the confidentiality of focus group respondents.

- C. The Contractor shall observe CDHS's privacy and confidentiality standards, including the Health Insurance Portability and Accountability Act {(HIPAA) (as defined in the OMCP-supplied schedule)} when accessing and/or distributing sensitive health information.

10.0 DISASTER PREVENTION AND RECOVERY

10.1 OVERVIEW

The requirements in this section state that the Contractor shall provide measures and means to ensure prompt detection of emergencies and disasters, reporting of such incidents to appropriate authorities, adequate handling of all types of emergencies and disasters, and contingency plans for adequate back-up and recovery for all HCO Program Operations. The requirements in this section shall be implemented by Contract Effective Date (CED) and shall apply to any and all subcontractors that perform work for this Contract. If the Contractor initially uses temporary facilities, interim plans shall be submitted as a separate part of the Disaster Prevention and Recovery Plan that clearly address how the Contract requirements shall be met in the temporary facilities.

10.2 OBJECTIVES

The Disaster Prevention and Recovery requirements in this Section shall:

- A. Ensure the protection and recovery of all information, facilities and equipment associated with this Contract in the event of a disaster; and
- B. Ensure the development and maintenance of a Disaster Prevention and Recovery Plan outlining the policies and procedures the Contractor and all subcontractors shall adhere to in all HCO Program Operations facilities to ensure safe and secure work environments as well as the procedures to use in the event a disaster occurs.

10.3 GENERAL RESPONSIBILITIES

The Contractor is responsible for ensuring that the HCO Program Operations State and Contractor staff and HCO Program Operations facility(ies), are safe and secure from emergencies and disasters, and if such occur, staff are protected from harm, and that Contract requirements continue to be met.

10.4 DISASTER PREVENTION AND RECOVERY PLAN

The Contractor shall develop, implement and maintain a Disaster Prevention and Recovery Plan that:

- A. Verifies Contractor compliance with safeguards for the areas of disaster prevention and which certifies that the requirements of this Section have been met. The plan should include the processes and procedures to ensure prompt detection and reporting of disasters to appropriate authorities and the emergency handling by staff of all emergencies and disasters outlined in the California Department of Health Services, Generic Emergency Plan, and the HCO Emergency Procedures handbook, both located in the Data Library;

- B. Ensures procedures for dealing with safety measures, evacuation of the facility(ies) and regular emergency preparedness drills. These procedures shall include planning for:
 - 1. Evacuation of disabled staff;
 - 2. Assignment and training of emergency wardens and medical response teams for each area, updated monthly, who can be easily identified by employees;
 - 3. Designation of meeting places for staff after evacuation;
 - 4. Posting of exit signs and "evacuation route" maps throughout the facility(ies); and
 - 5. Clearing of personnel from all areas, including rest and lounge areas.
- C. Ensures training of both Contractor and State staff regarding the disaster prevention procedures;
- D. Ensures procedures for discussing the precautions and steps to be taken to prevent and/or to minimize disaster aftermath in terms of danger to personnel, information, equipment, and facilities; and
- E. Provides the detailed Back-up and Recovery Procedures as required in this Section.

10.5 DISASTER PREVENTION

There are many types of emergencies and disasters that the Contractor shall be responsible to attempt to prevent. Within the Disaster Prevention and Recovery Plan, the Contractor shall provide Disaster Prevention Procedures to include, but not be limited to, the following:

10.5.1 FACILITY ENVIRONMENT

The Contractor shall:

- A. Ensure operations facilities are equipped with adequate measures and means to ensure prompt detection of any disaster as defined in the Glossary of Terms;
- B. Ensure facilities are protected from physical disaster by the safeguards specified in this Section;
- C. Comply with existing federal, State and local building codes, including the Americans with Disability Act (ADA) standards. Facilities shall comply with equipment vendor requirements for temperature, humidity, and cleanliness. Any identified sources of potential operation equipment malfunction shall be eliminated or corrected immediately; and

- D. Maintain an operational back-up power supply, operational within 60 seconds of a power failure, capable of supporting vital HCO Program Operations functions, until power is restored in the event of power failure.

10.5.2 FIRE PROTECTION

- A. Ensure facilities shall comply with existing local, State, and federal fire safety regulations. Heat and smoke detectors and an automatic alarm system shall be maintained throughout the Contractor's facilities. A fire detection and alarm system along with automatic Halon or equivalent fire suppression systems shall protect all operations equipment, media storage, and environmental equipment areas. Areas where personnel are located or may be present, as well as supply rooms with forms and paper, shall be protected with an automatic fire detection and alarm system along with an automatic water sprinkler system except in rooms and/or areas where Halon or its equivalent are required. The Contractor's facility shall have alarm link system(s) that is accessible to all personnel and that connect(s) to the local fire department or a security service that shall immediately notify the local fire department. Minimum fire resistance ratings shall be:
 - 1. Rooms housing operations equipment: one (1) hour;
 - 2. information libraries: two (2) hours; and
 - 3. Vault areas (on-and off-site): four (4) hours.
- B. Ensure the fire detection and alarm system power supply be uninterruptible with a twenty-four (24) hour battery pack; and
- C. Ensure all doors which are required to remain locked by this Contract and that serve as points of egress in the event of emergency be equipped with "panic bar" door releases or, with the approval of CDHS, equivalent mechanisms that comply with existing local, State, and federal fire safety regulations.

10.5.3 FLOOD AND EARTHQUAKE PROTECTION

The Contractor shall:

- A. Ensure facilities be located at State-approved sites that will be considered reasonably safe from flood and earthquake damage; and
- B. Install and maintain equipment to sense water intrusion and to warn appropriate staff of such intrusion, especially in areas housing electrical equipment, and/or any stored records.

10.5.4 MISCELLANEOUS DISASTER PROTECTION

The Contractor shall:

- A. To the maximum extent possible, safeguard the staff and facilities from danger stemming from bomb threats, explosions, assaults, hostage taking, hazardous material spills, civil disturbances and terrorism; and
- B. Comply with local Homeland Security Measures as directed by the State Office of Emergency Services.

10.6 DISASTER RECOVERY

Within the Disaster Prevention and Recovery Plan, the Contractor shall submit Disaster Back-up and Recovery Procedures. The procedures shall include, but not be limited to, the following:

10.6.1 BACK-UP REQUIREMENTS

The Contractor shall provide:

- A. A process for ensuring the operational back-up power supply is being regularly maintained and monthly tests shall be conducted to ensure that the operational back-up power supply meets the back-up power supply specifications needed to support critical HCO Program Operations functions;
- B. A back-up requirement for every resource that requires back-up and to what extent back-up is required. Back-up needs (on and off-site) shall be included for:
 - 1. Staff safety;
 - 2. Procedure and user manuals.
- C. Off-site storage of back-up operating instructions, procedures, reference files, process documentation, and operational files that begin during the Takeover period shall continue throughout the term of the Contract. At least one (1) complete and continuously updated set of all back-up material stored shall be maintained within thirty (30) miles of the Contractor's main operating facility for easy retrieval. Procedures for updating off-site materials shall be submitted to CDHS for review and written approval four (4) months prior to Assumption of Operations. (See Takeover Section requirements.)

10.6.2 RECOVERY PROCEDURES

Recovery from any type of malfunction, disaster and/or interruptions in HCO Program Operations is the responsibility of the Contractor. The Contractor shall:

- A. Identify Contractor staff to be contacted in the event of such an event. Assigned staff shall be thoroughly familiar with recovery procedures; and
- B. Demonstrate the ability to recover from State-defined disaster situations on at least an annual basis. If the recovery includes the use of a third party, the Contractor shall include the method to assure the availability of all necessary HCO Program Operations. The Contractor shall include guarantees that in the

event of a disaster, CDHS's needs shall not be placed second to any other entity when receiving services from a third party.

10.6.3 BACK-UP FACILITY(IES)

The Contractor shall allocate specific resources to an adequate back-up facility(ies), identified four (4) months prior to Assumption of Operations, where HCO Program Operations can be continued in the event of a disaster, major hardware problem or labor dispute that renders the main operating facility inoperable. The designated back-up facility(ies) shall be in a location(s) that is sufficiently removed from the main operation facility so that the event(s) that triggered the need to use the back-up facility(ies) does not interfere with the ability of such back-up facility(ies) to fulfill all Contract requirements. The back-up facility(ies) and resources shall be sufficient to comply with Contract requirements. Specific back-up facility(ies) and resources shall be designated to handle various types of potential disasters, major hardware problems or labor disputes. The back-up facility(ies) shall provide for everything necessary to continue the HCO program as required in the contract.

- A. Hardware and software compatibility between the back-up facility(ies) and the main operating facility;
- B. Availability of computer resources including computer time and all necessary peripherals for the entire HCO Program Operations;
- C. Availability of offsite data entry services, both key data and scanning;
- D. Availability of alternate space for both Contractor, and up to ten (10) State staff, and equipment in the event that the main operating facility cannot be used (e.g., it is destroyed, staff cannot occupy the building, or labor dispute), and the availability of adequate Contractor staff to fully support HCO Program Operations with no interruption to services;
- E. Switching of HCO Program Operations Local Area Networks (LAN) /terminals to back-up facility(ies);
- F. Access to all resources mentioned in the back-up requirements identified above;
- G. Ability to shift HCO Program Operations to the backup facility(ies) within time frames and priorities which are acceptable to CDHS; and
- H. Availability of adequate telephone resources including TCC toll-free telephone lines and all necessary peripherals for the TCC functions.
- I. After an initial test, to be conducted during Takeover, the Contractor shall thereafter, make an annual test no later than June thirtieth (30th) of each year, of the back-up facility(ies)'s ability to assume full HCO Program Operations. At CDHS's discretion, State staff may observe any and/or all back-up and recovery tests. On an annual basis, a maximum of four (4) State staff shall be allowed to inspect and observe any and/or all backup and recovery tests for facilities located out of California. Following completion of each back-up and recovery test, the

Contractor shall submit a written report to CDHS, thoroughly describing the test, including, but not limited to:

1. The nature and extent of the disaster or problem that requires back-up operation;
2. The managers notified;
3. The steps and time taken to mitigate the effects of the problem (e.g., disaster) and to recover full HCO Program Operations processing; and
4. The steps taken to prevent similar problems in the future.

The back-up facility(ies) shall be available for transfer of the full HCO Program Operations within twenty-four (24) hours after the main operating facility is unable to perform all HCO Program Operations. Three (3) business days after the main operating facility is unable to perform all HCO Program Operations, the TCC services, forms processing and full-time communication for updates and inquiry purposes shall be resumed. Full HCO Program Operations shall be resumed within seven (7) business days after the main operating facility is unable to perform all HCO Program Operations.

10.7 RISK ANALYSIS/ASSESSMENT

In order to ensure that all staff and facilities shall remain safe, to ensure prompt detection of safety hazards and prompt handling of emergency and disaster incidents, and to ensure early resumption of HCO Program Operations, per Contract requirements, the Contractor shall perform an analysis of the risks that exist to prevent compliance with these requirements.

The Contractor shall:

- A. Implement safeguards that provide adequate protection against all risks identified in the Risk Analysis/Assessment report, including terrorism and biological threats. For each identified threat or risk, the Contractor shall specify in the Risk Analysis/Assessment report the following:
 1. An estimate of potential loss for each identified threat in terms of lost productivity, and the impact upon the Contractor's ability to meet Contract requirements;
 2. An estimate of the probability of occurrence of each threat in a specified period of time; and
 3. The safeguards to be used to reduce the exposure to these threats to an acceptable level.
- B. Ensure the Risk Analysis/Assessment report be submitted as a separate document.

- C. Ensure all Risk Analysis/Assessment report backup documentation and safeguard review materials be submitted to CDHS simultaneously with the Risk Analysis/Assessment report. Annually, or as the Contractor or CDHS become aware of, the Contractor shall perform additional Risk Analyses; review implemented safeguards; and modify, add, or delete safeguards as the need arises and as CDHS requests;
- D. Ensure the Risk Analysis/Assessment report shall be submitted to CDHS for review and approval, and safeguard implementation be completed, two (2) months prior to Assumption of Operations. On or before January fifteenth (15th) of each year, or as risks not addressed or addressed insufficiently are found, the Contractor shall have performed and then submit additional Risk Analysis/Assessment reports, review implemented safeguards, and modify, add, or delete safeguards as the need arises and as CDHS requests; and
- E. Perform a Risk Analysis/Assessment, and submit a Risk Analysis/Assessment report and a Corrective Action Plan for each identified issue to CDHS no later than ten (10) business days of written notification and/or Contractor identification of the risk.

10.8 AUTOMATED SYSTEM REQUIREMENTS

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to the previous requirements in Exhibit A, Attachment II, Section 10-Disaster Prevention and Recovery.

10.9 FACILITIES BACK-UP

The Contractor shall provide a back-up requirement for every resource that requires back-up and to what extent back-up is required. Back-up needs (on and off-site) shall be included for:

- A. Manual/Automated processes;
- B. Retention and storage of backup files and software;
- C. Hardware backup;
- D. Network and communication protocols backup for telecommunications;
- E. Data entry backup;
- F. Data files plus file log (including location of files);
- G. Application and operating system software libraries, including related documentation; and
- H. Personal computer applications developed outside of the HCO system.

11.0 HEALTH PLAN ENROLLMENT SYSTEM

11.1 OVERVIEW

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to, and shall not supersede, the requirements established in Exhibit A, Attachment I, II and III.

Most Health Care Options (HCO) Program operational areas may be automated and supported by an information system which shall be referred to as the Health Plan Enrollment (HPE) System.

The primary HCO Program Operations consist of the following core processes which may be automated by a HPE System:

- Eligibility Information
- Information Processing
- Enrollment Processing
- Disenrollment Processing
- Exemption Processing
- Fair Hearing Processing
- Informing Material Control Binder Processes
- Telephone Call Center
- Reports
- Records Retention
- Problem Correction System
- Special Plans Processing
- Document Management System
- Interfaces With the Medi-Cal Eligibility Determination System

The first part of this section describes the operational requirements that apply to the HPE System. The Contractor shall fully implement a comprehensive HPE System which consists of the enrollment and disenrollment processes, supports exception to enrollment processing, controls the informing materials mailing process, supports the Telephone Call Center (TCC) function, generates reports, manages documents and performs various other functions.

Next, this section describes the HCO Program Operations standards and requirements to which the Contractor must adhere when analyzing, designing, developing, and maintaining processes and manuals for the HPE System operations and supporting processes. These standards provide a consistent and manageable process.

The last portion of this section provides a description of the responsibilities and organization of the Contractor's operations staff responsible for the HPE System, as well as the Contractor's responsibilities during all process changes. The State places a high priority on the speed, ease and stability with which changes can be implemented in the HPE System. The State recognizes that the scope and complexity of required HCO Operations changes will vary widely. Regardless of the scale of a particular change, however, the State shall have sufficient

monitoring and oversight processes in place to provide it with reasonable assurance that changes have been correctly applied.

11.2 OBJECTIVES

The Contractor shall:

- A. Develop and implement a process for tracking and reporting its achievement in meeting all requirements as stated in this Section.
- B. Ensure that all HPE System functions are fully implemented and maintained that support the core functions of the HCO Program Operations.
- C. Ensure that an HPE System operational environment is established that is consistent and manageable.
- D. Ensure that a comprehensive HPE Systems operation documentation library is created and maintained.
- E. Establish a system group responsible for HPE System Operation maintenance and enhancements along with a consistent process for implementing process changes.

11.3 GENERAL REQUIREMENTS

The HPE System operations shall provide centralized control of all beneficiary and health plan information relating to the enrollment and disenrollment process. At a minimum, the HPE System shall be capable of:

- A. Recording, identifying, indexing and filing all forms and documents associated with the enrollment and disenrollment processes.
- B. Supporting the recording of information associated with the enrollment and disenrollment processes and with the customer service functions.
- C. Flexible, intuitive and easy to use ad hoc query and reporting interface to the Contractor's HPE System, and other automated systems identified by the State.
- D. Maintaining, storing, updating, retrieving, and summarizing all beneficiary, health plan, and related data in accordance with industry-standard database functionality.
- E. Providing easy-to-implement automated alternatives to manual processes.
- F. Providing users with direct access to electronic copies of the forms and informing materials housed in the Electronic Document Management Database system (See Exhibit A, Attachment IV-Section G, Records Retention and Retrieval). All forms and documents currently used in the

informing and enrollment process, and all previous and discontinued forms and document versions, shall be retrievable from the HPE System. The interface to the Electronic Document Management Database system (EDMDS) shall be as direct and simple as possible, requiring a minimum of user actions (authentication, navigation through screens and menus, etc.). Informing materials and documents shall be accessible to all users through the system interface seven (7) days per week, twenty-two (22) hours per day. The maximum unscheduled downtime for this interface shall be one-half (1/2) hour per week.

- G. Capturing, storing, managing, indexing, and making available all forms and other documents used in the informing and enrollment process. Collectively, these documents will comprise an electronic library of beneficiary informing materials. The documents maintained in the system's electronic library shall also be maintained in the EDMDS, as specified in Exhibit A, Attachment II-Section 8, Records Retention and Retrieval. The HPE System's electronic library shall be available to all users for a minimum of seven (7) days per week, twenty-two (22) hours per day, with a maximum unscheduled downtime not to exceed one-half (1/2) hour per week.
- H. Interfacing with secure web sites (e.g., internet, extranet, and intranet sites) for secured communications with applicants, beneficiaries, the California Department of Health Services (CDHS), other State and federal entities, health plans, and any other entities authorized to exchange information with the Contractor. The Contractor may also provide a secure web portal that authorized Contractor and State staff may use for remote access to the HPE System. HPE System web sites shall be available to all users for a minimum of seven (7) days per week, twenty-two (22) hours per day, with a maximum unscheduled downtime not exceed one-half (1/2) hour per week; and
- I. Providing users with access to a Problem Correction System (PCS) tracking database. The Contractor shall enter all Problem Statement (PS) information into this database and use it to document the status of all PSs through to final resolution. The PCS Tracking Report shall be generated from this database on a weekly, monthly and on-demand basis. This report shall include all PSs, whether open or closed, in the system. The reporting function shall be capable of sorting the records in the report by any of the fields included in the report.
- J. Implement an electronic document management database system that runs on an industry-standard hardware platform, and within an industry-standard database management system software environment. The Contractor is encouraged to employ the latest widely accepted industry-standards, designs, formats, software and/or media for the system.
- K. Retaining in a readily retrievable form all HCO Program forms, all information relating to forms processing, all mailings and all Contractor staff contacts with applicants, beneficiaries and/or their authorized representatives, regardless of how that information was recorded. The HPE applicant/beneficiary tracking function shall include but not be limited to:

1. A process to track all contacts between applicants, beneficiaries and/or their authorized representatives and Contractor staff (such as TCC staff, Enrollment Services Representative (ESR) staff, research staff, etc).
 2. A process to track all mailings to applicants, beneficiaries, and/or their authorized representatives, and health plans including, but not limited to, special notices, annual renotification letters, and informing packets. The mail tracking function shall retain records of all returned mail, indexed to the undeliverable addresses to which it was sent.
 3. A process to track all complaints and grievances lodged by applicants, beneficiaries and/or their authorized representatives.
 4. The capability to produce full historical reports of all Contractor contacts with applicants, beneficiaries, and/or their authorized representatives, and with health plans. Information on all types of contacts—mail, telephone, and in-person—shall be available for inclusion in reports.
- L. Sharing Eligibility with CDHS, health plans and other entities, as directed by the State.
- M. Providing all reports as required and/or requested by the State.
- N. Maintaining, storing, updating, retrieving, and summarizing all beneficiary, health plan, and related information.

11.4 SYSTEMS DEVELOPMENT GUIDELINES

The Contractor shall:

- A. Meet and/or exceed all standards and requirements appearing in this section. During Takeover, the Contractor shall submit for written State approval a plan for bringing its systems functions into full compliance with the standards and requirements in this section. Once approved, the Contractor's compliance plan shall not be revised without prior written approval from the State.
- B. Use structured analysis, design and programming techniques that are consistent with the current industry standards in these areas.

11.4.1 SOFTWARE AUTOMATION TOOLS

The Contractor may use various software automation tools that are compatible with both the State and Contractor system environments. These automation tools can include program code analyzers and system measurement and monitoring tools, data and logic restructuring tools, reverse engineering techniques, and compression software designed to improve systems and the maintenance process.

11.4.2 ELECTRONIC DOCUMENTS AND COMPUTER GENERATED IMAGES

All images shall be produced as specified in the applicable standards of the Association for Information and Image Management (AIIM) (i.e., MS52 1991 and MS53 1993). These standards shall apply to all electronic images. All reports shall be produced electronically (although they may be printed and distributed on paper) as required by Exhibit A, Attachment II-Section 8, Records Retention and Retrieval requirements of this Contract. Reports and all attachments thereto and/or document facsimiles shall be digitally stored in the Electronic Document Management Database system.

The Contractor shall:

- A. Ensure that regardless of how individual documents are entered into the system (i.e., scanned paper copy or electronic files), all documents are electronically stored and readily retrievable;
- B. Ensure that the retention period of all electronic documents is consistent with the records retention provisions of Exhibit A, Attachment II-Section 8, Records Retention and Retrieval;
- C. Ensure that duplicates, copies, and printed copies of scanned images are complete, free of significant blemishes, and are of sufficiently high resolution to be clearly readable. "Clearly readable" shall be defined as meeting the conditions of acceptability as evidenced in a court of law under Evidence Code §1500 et seq.;
- D. Ensure that all scanned document images are exact and unaltered replicas of the original documents;
- E. Ensure that inspection procedures are established to monitor for defects. Inspections shall be made for, but are not limited to:
 - 1. Images that are not clear and distinct;
 - 2. Characters and symbols that are filled in or are too light to be legible;
 - 3. Lines that are discontinuous or too light to be legible;
 - 4. Data that is obscured, illegible, blurred, or out of focus;
 - 5. Blisters, tears, or processing stains;
 - 6. Scratches that appear through image areas;
 - 7. Documents that were so skewed and/or off-center when scanned that one or more characters is out of the printable and/or visible margins of the page;
 - 8. Improper alignment between the form overlay and the data populating the form fields; and

- 9. Finger marks, oil, and/or grease.
- F. Replace images that are deficient in any of the above areas with corrected images no later than fifteen (15) business days following the date on which the Contractor discovers the illegible image, or on which the State notifies the Contractor in writing of a defective image;
- G. Establish written procedures for written State approval for certifying that stored images are true and correct copies of the original document;
- H. Perform index entry verification to confirm that all images are properly indexed and easily and accurately retrievable;
- I. Ensure that the systems used to store and retrieve records are not allowed to become obsolete. Upgrades shall be applied as soon as they have been determined to be stable, and entire systems are to be replaced well before vendor support for them is withdrawn.

11.4.3 COMMUNICATION STANDARDS

In establishing data communication links with the State, the Contractor shall employ communication protocols and data formats approved in writing by the State. In establishing procedures for data exchanges with health plans and other outside entities, the Contractor shall use accepted, industry-standard and HIPAA compliant protocols and data formats that meet its needs, that are approved in writing by the State, and that provide sufficient security to protect the confidentiality and integrity of the data. If conflicts develop between these requirements, the Contractor shall immediately refer the matter to the State for resolution. See Exhibit H of the RFP for the HIPAA BAA for more specific requirements.

11.5 SYSTEM AVAILABILITY

For purposes of the requirements set forth in this section, "system availability" is defined as the proportion of scheduled operational time that the main operating facility hardware, systems software, and on-line applications software are available to users. Availability is expressed as a proportion, defined as the time scheduled less the time down, divided by the time scheduled.

The Contractor's HPE System, and all supporting and ancillary systems, shall meet the following system availability requirements and standards:

- A. All applications necessary to support HCO Program Operations and State oversight shall be available eleven (11) hours a day, from 7:00A.M. to 6:00 P.M. Pacific Standard Time, Monday through Friday (excluding State holidays).
- B. The Contractor shall ensure that the State's access to the HPE System, and all other Contractor systems to which the State has access, are not interrupted or superseded, except with the State's prior written approval, for

any Contractor activity including system maintenance (preventive, scheduled or otherwise) and system and/or program processing (scheduled or unscheduled).

- C. Whenever a system covered by these requirements becomes inaccessible for any reason, the Contractor shall notify the State within one (1) hour of the incident. Verbal notification and a follow up email shall be provided to at least one (1) State HCO manager. The State shall provide the Contractor with the names and e-mail addresses of the State HCO managers who are to be contacted in the event of an HPE System downtime incident. The State shall again be notified both verbally and via email within one (1) hour of when the inaccessible system returns to normal operations. If a covered system becomes inaccessible during non-business hours, notification shall be provided to one (1) or more State HCO managers on the notification list by 9 AM of the next business day following the system downtime incident. Each time the State is notified verbally and via email of a system downtime incident, that notification shall be followed by PS.

11.5.1 SYSTEM AVAILABILITY STANDARDS

- A. The HPE System, and all supporting and ancillary systems, shall be available for the conduct of all HCO Program Operations under the terms of this Contract at least ninety-eight percent (98%) of the total time between the hours of 7:00 A.M. and 6:00 P.M. Pacific Standard Time on business days, as determined by a weekly average of five (5) business days over the course of each one (1)-month reporting period. This standard applies to all applications including but no limited to supporting customer assistance, mailing functions, forms processing, field operations, reporting and State oversight.
- B. The Contractor shall perform all non-routine system maintenance and file updating activities before or after business hours, as approved in writing by the State.

11.5.2 STATE ACCESS TO SYSTEMS

The Contractor shall:

- A. Provide the State with full access to the HCO's HPE systems, and to all related and supporting data systems. Unless otherwise specified by the State "full access" means "full read access." Access which allows adding, deleting or modifying data records will be granted only by State request.
- B. Provide State staff with full access to the HPE System query and reporting functions and any other system activity. State staff shall have the capability to run both pre-programmed and ad hoc queries and reports without any restrictions.
- C. Provide the State with read access over the Contractor's network to all HPE System applications and files utilized by the Contractor's Systems Group (SG) staff for application development and reporting. State access shall

begin on the Contract Effective Date (CED) and remain in effect throughout the term of the Contract. No access time or duration limits shall be imposed on the State's access to these system areas.

- D. Provide State staff with sufficient data storage space on the HPE System in order to store queries, reports, query and report scripts, and system testing files.
- E. Provide designated State staff with access to all utilities and software packages available to the Contractor's SG staff. The Contractor may seek to waive this requirement for software that, if used improperly, poses a significant risk to the HPE System or the data it contains.
- F. Provide the State with the capability to independently test the HPE System and auxiliary systems. The State shall have the capability to run a variety of tests, including but not limited to running standard HPE System jobs against test data files, running queries and reports, retrieving data records (random samples, for example), key-entering data, and scanning. State testing shall occur in an environment where it can have no effects on the production HPE System, its subsystems, or data files. Sufficient disk storage space shall be allocated to this area to support the State's testing requirements.
- G. Provide the State with the ability to continuously review the file of any beneficiary, except for daily maintenance periods. This will not include the ability to change existing information in the file. The Contractor shall allow the State to make additional notations to existing files. The Contractor shall provide the State access via telephone lines, computer terminals or other available technology to the entire Contractor's on-line enrollment information, image view of scanned forms, eligibility and enrollment records. Access will be available from 8:00 AM to 8:00 PM Pacific Standard Time during business days.
- H. Ensure that designated State staff has sufficient access to the HPE System to oversee and conduct systems testing and monitoring. In order to provide the State with the necessary access, the Contractor shall:
 - 1. Enable State monitoring staff to validate all Contractor test runs. The Contractor shall provide the State with test data files, all necessary programming code (including macros, script files, etc.), documentation (including data dictionaries and data record layouts), protocols, scenarios, evaluation criteria, and any other necessary testing prerequisites the State would need to validate and replicate the Contractor's results.
 - 2. Provide designated State staff with copies of any requested HPE System data files, including HPE System data tables. The Contractor shall submit the requested files to the State within two (2) business days of receiving a request. The Contractor shall provide State staff with the ability to order file copies electronically, over the Contractor's network.
 - 3. Ensure that the entire HPE System, including all subsystems and supporting systems, is available to State staff for testing. The State shall

have the capability to test the HPE System to ascertain that changes have been installed correctly and policy is being executed as required.

4. Provide the State with the capability to pull random samples from the available data files and tables, and to run tests under randomized conditions (test runs that repeat at random intervals, that run against randomly chosen records or files, etc.).
- I. Provide the State with sufficient HPE System access to enable it to monitor:
 1. Production HPE System libraries;
 2. Production HPE System load module libraries;
 3. Data and system security procedures;
 4. Data element dictionary information;
 5. Data record layout descriptions;
 6. HPE System data files;

11.6 SYSTEM DESIGN STANDARDS

The hardware and software platforms as well as database management system on which the HPE System and all its supporting and ancillary systems run shall be industry-standard and non-proprietary. The HPE System shall be fully compatible with the State systems with which it shall exchange data, and the State networks to which it shall be accessible. "Full compatibility," for the purposes of the section, means:

- A. That the communication protocols and data exchange formats in use by the State data systems and networks with which the HPE System communicates shall be fully implemented on the HPE System.
- B. That connections between the HPE System and State data systems and networks are robust, reliable, and fully functional.
- C. That the user sessions hosted by the HPE System shall not vary by user origin. This means that sessions opened by external State users shall be identical, in terms of functionality, to sessions opened by internal Contractor personnel.
- D. User sessions shall make full use of the current personal computer (PC) workstation graphical user interface (GUI):
 1. The session itself shall be in full GUI mode; the session shall not take place in a text-based window operating within the PC GUI;

2. The PC mouse shall be fully functional in the session (point-and-click, drag-and-drop, etc); and
3. The session shall be capable of supporting multiple processes running in separate windows.

11.6.1 DOCUMENT REQUIREMENTS

11.6.1.1 COMPUTER OPERATIONS

The Contractor shall develop procedures and/or systems that ensure that the HPE System is run in the most efficient manner possible. To ensure that efficient operations are maintained, the Contractor shall develop and maintain a Computer Operations Manual to house detailed technical descriptions of all HPE System procedures, processes, jobs, schedules, reporting specifications, and quality control standards and methods. The Computer Operations Manual shall include but shall not be limited to:

11.6.1.1.1 DATA ENTRY PROCEDURES AND TRAINING

This section shall describe all approved data entry methods, including key data entry (KDE) and scanning. Each procedure shall cover the source and type of data to which it applies, a data entry method description, the formats used, the specifications of any data entry programs developed to facilitate that procedure, the function of the data, and the data destination.

11.6.1.1.2 SYSTEM PROCESSING

This section shall describe all computer instructions necessary for performing each major HPE System processing step. This is not a requirement to document every line of instruction in every HPE System program. It refers instead to the high-level instructions that initiate and terminate the major stages in the HPE System processing cycle. The description of each instruction shall specify its source. If the source of the instruction is an HPE System program, that program shall be referenced using its standard naming convention identifier. If the source of the instruction is manual intervention, the HPE System processing section shall specify who intervenes to issue the instruction, and how and when that intervention takes place.

11.6.1.2 SYSTEM DATA DICTIONARY

The Contractor shall:

- A. Create and maintain an HPE System Data Dictionary containing detailed, specific descriptions of all data elements in all HPE System databases and application programs.
- B. Make the full and current HCO Data Dictionary available to all State users through the State's network.

- C. Ensure that the Data Dictionary shall contain, at a minimum:
 - 1. Data element name;
 - 2. Unique data element number;
 - 3. Description of the data element and all of the possible values;
 - 4. Format of the data element;
 - 5. Security and confidentiality requirements associated with the element;
 - 6. File cross-reference (a list of files and programs that use the data element);
 - 7. Originating source;
 - 8. Edit error codes that relate to this data element; and
 - 9. The names and numbers of all reports that use the data element.
- D. Submit a data element naming protocol that shall be used to generate all data element names in all HPE System databases and applications. The naming protocol shall be included in the HPE System Data Dictionary.
- E. Make all necessary and appropriate updates to the Data Dictionary and its documentation whenever any changes are made to HPE System databases and/or programs (e.g., as a result of the generation of SDNs, Change Orders, reports, system fixes, etc.). The Contractor shall also be responsible for providing the State with any customized enhancements, additional features, or interfaces (or revisions to such features) that the Contractor develops in conjunction with the Data Dictionary software.
- F. Print for the State or ensure that the State has the capability to print on demand a hardcopy version of the Data Dictionary.
- G. Provide State staff with training in the use of the Data Dictionary. The training provided shall describe the standards and procedures the Contractor uses to maintain the Data Dictionary.
- H. Maintain the Manual and Data Dictionary Users' Guide developed during Takeover (see Exhibit A, Attachment I, Takeover – Data Dictionary). These documents shall specify standards and procedures the Contractor uses to maintain the Data Dictionary.

11.6.1.3 DATA FILE LAYOUT DESCRIPTIONS

The Contractor shall create and maintain a Data File Layout Descriptions Manual, to be submitted during Takeover, in which every data file in the HPE System shall be defined. At a minimum, the following items shall be included;

- A. A record layout schematic, precisely identifying the location of each data element in the record. Data elements are to be identified by the data element name appearing in the Data Dictionary;
- B. Definition and processing intent;
- C. Average number of records contained

11.6.1.3.1 NETWORK COMMUNICATIONS MANUAL

This manual shall contain descriptions of all workstations, terminals, KDE stations, document scanning facilities, and related equipment capable of connecting to the HPE System. Remotely located equipment as well as equipment co-located with the HPE System shall be included. Network backup communications equipment shall also be covered in this manual, as shall the system performance monitoring equipment used at the computer host site and at the various terminal locations. An acquisition schedule for future network communications equipment as well as maintenance schedules and procedures for the existing equipment shall also be included.

11.7 INTEGRATED TESTING

11.7.1 INTEGRATED TEST SYSTEM

To ensure the HPE System operates according to State and federal regulations and statutes, the Contractor shall maintain an integrated test environment, and shall fully test system changes prior to implementation in the production environment.

The integrated test system is an environment used to test system changes before promoting those changes into the production system. The environment shall include a test (mirror) version of on-line and batch programs and system files that are identical to the production environment.

To aid the State in monitoring the system's accuracy, the State reserves the right to utilize live transactions to test the Contractor's performance. This will include the establishment, by the State, of test providers, applicants and beneficiaries on production files, as well as the submission of test data, and inquiries to the production system. The live-transaction testing process will be utilized by the State, without notice to the Contractor, to assure that the test replicates results expected in the production environment.

11.7.2 INTEGRATED TEST SYSTEM – STATE’S RIGHTS

The State reserves the right to:

- A. Test operations activities by submitting test inputs, modifying test files, and reviewing system outputs.
- B. Obtain for independent analysis any test data being used by the Contractor.
- C. Review and approve test results prior to the Contractor promoting changes to production.
- D. Attend Contractor walkthroughs to validate test case and test case results for accuracy and quality.

11.7.3 INTEGRATED TEST SYSTEM –CONTRACTOR RESPONSIBILITIES

The Contractor shall:

- A. Operate and maintain a complete and current on-line test system, including a test version of batch and on-line programs and test tables and files. At a minimum, the test data shall include a true reflection of daily, weekly, monthly and semi-monthly volumes of enrollment data.
- B. Identify beneficiaries' enrollments and disenrollments used for testing to maintain the integrity of routine enrollment processing operations and files.
- C. Generate test output, including tables, files, reports, packets, and letters. Output shall be separately identified and clearly labeled. Test outputs shall be separate from routine enrollment outputs and available to the State during business hours within twenty-four (24) hours of the request.
- D. Perform enrollment and disenrollment processing in a simulated production environment.
- E. Provide the State with on-line access to the test environment, test tables, and files, and submit test data independent of notice to the Contractor's testing team.
- F. Accept test enrollment and disenrollment data submitted by the State on hard copy or electronic media, without notice to the Contractor's testing team (i.e., the Contractor is unaware that the test enrollment data have been submitted).
- G. Report on the results of test cycles, including the expected impact of edit and pricing changes, and compare those results to the actual processing results.
- H. Initiate and conduct a walkthrough of system test changes that are ready to be moved into the production environment. Walkthroughs of test cases and results shall include a discussion of programs that are impacted by the

system change. The Contractor shall include an on-line demonstration verifying the accuracy of system changes and handouts of test results. Walkthrough materials will be conducted for system changes involving major modifications, or where a significant number of programs and/or files are modified when directed to do so by the State.

- I. Develop and execute State-approved test cases for system changes.
- J. Maintain integrated test facility activities, tables, files, and data elements necessary to meet State requirements and simulate production.
- K. Produce and review control reports generated for each test update and processing cycle.

11.7.4 INTEGRATED QUALITY ASSURANCE (QA) TESTING TEAM

The Contractor shall:

- A. Employ Quality Assurance (QA) staff as members of an Integrated Testing team that shall be organizationally separate from the SG. This team shall be responsible for developing test plans and test cases to ensure all HPE System processing are accurate and complete. This team shall be responsible for:
 - 1. Testing all HPE System changes and table updates prior to their implementation.
 - 2. The resolution of all transactions due to errors caused by system changes and table updates that are implemented incorrectly by the Contractor (e.g., keying errors, inadequate testing, inadequate quality review, programming errors).
- B. Develop and implement a testing environment and the methodologies required to ensure that testing verifies all components process successfully and independently of each other, and ensures that all manual and automated processing are compatible with system changes and table updates.
- C. Ensure an adequate number of QA staff is available to perform all testing, and ensure the testing is complete and accurate. No SG staff are to have testing responsibilities in the integrated testing area. The SG staff shall perform its testing in a testing area that is fully insulated from the QA integrated testing area.
- D. Ensure staff employed in the testing team are knowledgeable in medical care enrollment processing, and familiar with all the components of the HPE System (i.e., all the manual and automated processes to process an enrollment through the HPE System including the Exemption process).

11.8 CHANGE REQUIREMENTS

The State may at any time notify the Contractor in writing of the need to modify HPE System requirements. All but the most fundamental and far-reaching requirements changes shall be implemented within the fixed-price or cost-reimbursed scope of this Contract. The notification provided by the State will be in the form of one (1) or more of five documents, of which only the following two (2) documents will be discussed in this section:

- A. System Development Notice (SDN).
- B. System Service Request (SSR).
- C. System Operations Instructional Letter (SOIL)

Since C-Letters, Problem Statements, and Change Orders (CO) are not always specific to operation changes (and are discussed elsewhere in this Contract), they will not be discussed in this section.

11.8.1 SYSTEM DEVELOPMENT NOTICES

The State shall use the System Development Notice (SDN) process to instruct the Contractor to initiate Systems Group (SG) development activity that may or may not fall within the scope of work of this Contract.

11.8.1.2 GENERAL RESPONSIBILITIES

The Contractor shall:

- A. Prepare and submit a response to the SDN.
- B. The Contractor shall have eight (8) business days from receipt of a written SDN, unless the State authorizes a different time period, to respond to an SDN. In its response, the Contractor shall submit the following:
 - 1. A preliminary estimate of the date when the project can begin in relation to projects currently scheduled for the SG.
 - 2. An assessment of any lower priority projects that must be delayed for implementation of the project and the impact of the delay on the schedules of the lower priority projects. The State reserves the right to postpone and/or terminate a project during any portion of a phase.

3. A preliminary time and cost estimate to assist the State in project priority setting and staff allocation if the Contractor considers this SDN to be a CO. This time and cost estimate shall include developmental costs.
4. All other information requested by the State in the SDN.
5. Acknowledgement that the Contractor has a complete understanding of the request or that the Contractor needs further information in order to begin the project.

C. The Contractor shall not begin work on any SDN without prior written approval from the State.

11.8.1.3 ESTABLISHMENT OF HOURS

- A. Project hours shall be based upon projected actual work hours exclusive of time off and administrative time. Project hours shall be established for each phase, unless otherwise directed by the State.
- B. The Contractor is required to utilize a project estimation methodology that is comprehensive, verifiable, and straightforward to permit detailed State review of all estimates. The State shall review project estimates and shall approve all estimates before work begins.
- C. The Contractor shall be responsible for providing cost estimates and adhering to those estimates, so long as the project scope does not change. The State shall be billed for actual hours worked.
- D. The State may at any time alter the project scope through a revised SDN and/or cancel an SDN through a C-Letter. The Contractor shall then have eight (8) business days from receipt of the written SDN documentation, unless the State specifies a different time period, to respond to the revised and/or cancelled SDN in the format prescribed above.

11.8.1.4 SYSTEM DEVELOPMENT PHASES

The Contractor shall have primary responsibility for all technical processes and products required for the three (3) primary SDN phases: system analysis, design and development, and implementation.

11.8.1.4.1 GENERAL RESPONSIBILITIES

The Contractor's SG shall:

- A. Follow three (3) specified phases in designing, developing and implementing a computer software system change (as described below). The Contractor shall submit all required deliverables to the State at the completion of each

phase. The State shall provide the Contractor with the formats to be used for each deliverable. The Contractor shall submit all deliverables in the formats provided by the State.

- B. At the State's discretion, be required to perform one or more of the pre-system development phases, including but not limited to, Project Definition Analysis (PDA) and General Functional Requirements (GFR).
- C. Provide walkthroughs on deliverables for all phases of system development. Deliverables for each walkthrough shall be distributed to the State two (2) business days prior to the date of the walkthrough. Implementation approval walkthroughs shall be conducted according to a State approved walkthrough schedule.
- D. Meet the Contract documentation standards established in this section for each required deliverable for each phase. The Contractor shall provide an electronic and a paper copy of each deliverable to the State.

11.8.1.4.2 PHASE I, SYSTEMS ANALYSIS

This phase includes preparation of the specific functional design, development of the work plan, and preparation and definition of systems and acceptance test criteria. As a standard, the contractor shall use the Unified Modeling Language (UML) which simplifies the complex process of software design.

11.8.1.4.2.1 TEST PLAN

The Contractor shall develop a detailed test plan describing each of the program areas modified as a result of the system change and how the Contractor intends to verify that the system changes are operating as designed. The test plan deliverable shall describe all stand-alone, parallel, stress, regression, volume, and acceptance testing to be performed. **No testing is to be conducted in the absence of a State-approved Test Plan.** The Test Plan shall specify at a minimum:

- A. The changes to be tested.
- B. The general information required in order to perform the test.
- C. The inputs needed to perform all tests. The inputs needed for the "expected fail" test (subjecting the new system to conditions that would, according to the project requirements, cause it to discontinue processing) shall be included.
- D. The process to be used to generate test results.
- E. The specific test conditions and expected results.

11.8.1.4.3 PHASE II, SYSTEMS DESIGN AND DEVELOPMENT

This phase includes the technical system design, all necessary programming, schedules and protocols for the tests described in the Test Plan, and all necessary education and training.

11.8.1.4.3.1 TECHNICAL SYSTEM DESIGN

The Contractor shall produce program-code-level specifications and an overall system design for use by the programming and operations staff in implementing the system. The Contractor shall use the UML to show they understand the system and any changes to the system that the State may require.

11.8.1.4.3.2 TESTING AND TEST RESULTS DOCUMENTATION

The Contractor shall produce individual test protocols and a total test system, which shall assure that all SDN project requirements are met. Testing shall also assist in developing the procedures needed to properly use and to support the system. At a minimum this includes:

- A. Testing all individual programs to ensure that they function correctly. Individual program interaction tests and full system tests shall be performed (including stress tests). The State and SG shall have access to the system-testing environment. The Contractor's automated and manual control procedures as well as all end-user procedures (including those to be used by the State, if any) shall be developed and tested.
- B. If the State will be involved in independent and/or joint acceptance tests (the State may mandate, or the Contractor request, such involvement), providing all necessary support for the State's participation. The testing activities shall follow the outline provided in the Contractor's work plan.
- C. Creating detailed test cases including items to be tested and all applicable pass/fail criteria.
- D. Conducting acceptance testing. Acceptance testing shall be conducted by dedicated SG staff under the direction of the Quality Management department. All staff that perform acceptance testing shall be in the Quality Assurance rather than the SG reporting chain.
- E. Reviewing manual, administrative, and operating procedures. Validate Quality Management procedures for setting accuracy and error levels and for monitoring compliance.
- F. Validating control procedures.
- G. Creating actual test situations, accurately and fully capturing all test results and outputs, preparing the test results deliverable electronically and

submitting the test results to the State according to the project work plan. The deliverable shall contain at a minimum:

1. A summary of the testing results for each test condition documented in the Test Plan deliverable.
2. Run logs.
3. Input and output file data that are formatted for easy review.
4. Test reports, including before and after conditions.
5. File comparisons generated as a result of parallel testing.
6. All backup documentation pertaining to each condition tested.

11.8.1.4.3.3 EDUCATION AND TRAINING

The Contractor shall prepare appropriate training materials to support the delivery of all necessary training. All training shall comply with the requirement appearing in Exhibit A, Attachment II-Section 9, Training, of this Contract.

11.8.1.4.3.4 POST-IMPLEMENTATION REVIEW

The Contractor shall review the newly implemented operations to determine if the submitted product functions in keeping with all requirements and specifications. The review period shall be proposed by the Contractor and approved in writing by the State. The post-implementation review process shall establish whether the project's operational objectives have been met, whether the operational development effort was performed efficiently, whether the cost and completion time were within the project estimates, and whether the system documentation is satisfactory. The post-implementation review deliverable shall contain:

- A. How the review was performed (e.g., reports reviewed, and business work flows).
- B. Significant variances between expected user results and actual system performance.
- C. Variances between estimated and actual costs.
- D. Variances between estimated and actual project work schedules.
- E. All unanticipated operational problems (include details of all reported incident reports associated with the ODN).
- F. Variances between the operational design, as implemented, and the design appearing in the operational documentation.
- G. Recommendations for remedies for significant deficiencies.

11.8.2 SYSTEM SERVICE REQUEST

Contractor-initiated System Service Requests (SSRs) shall be submitted to the State for written approval prior to implementation. Work shall not begin on SSRs until the Contractor has received written approval from the State. Each change proposal submitted to the State shall include a description of the proposed change and identify the general functional requirements the proposed modifications are designed to meet. Upon receipt of written approval from the State, the Contractor shall proceed with the proposed changes.

The Contractor shall provide the State with the deliverables specified in the approved SSR proposal. Each deliverable shall be subject to approval by the State. The State reserves the right to modify, delay, or cancel implementation of any systems change, or any portion or phase of a systems change, at any time.

The only category of systems change that shall be exempt from these requirements are emergency fixes performed by the Contractor to correct program and/or system failures (such as data exceptions) outside of normal State business hours.

11.8.3 SYSTEM OPERATIONS INSTRUCTIONAL LETTER

The State shall use the System Operations Instructional Letter (SOIL) to notify the Contractor of changes in the enrollment program policies and/or procedures. These changes in policies and/or procedures may require modifications to the HPE System or related applications, including but not limited to, various updates to existing tables or files. The SOIL shall also be used to initiate various ongoing system modifications required throughout the contract that falls within the contract fixed price.

The Contractor shall provide detailed system and test documentation to the State for review and approval prior to the implementation of the system modifications. The document must adequately demonstrate that the modification is non-interruptive to operations.

11.9 SYSTEMS GROUP

To facilitate changes to, and ongoing maintenance of, the HPE System and supporting systems, the Contractor shall establish and maintain a local on-site Systems Group (SG). SG positions identified in the Contractor's Technical Proposal (TP) as dedicated to this Contract shall remain filled during the term of this Contract. The Contractor's SG shall be assigned to permanent duty stations in the facility where State staff who have primary SG oversight responsibilities are stationed. SG staff may be assigned to other facilities only while working on a Systems Development Notice (SDN), as described in the following paragraph. The SG shall consist of a SG Manager and a sufficient number of technical staff to meet all Contract requirements. The technical staff positions within the SG

may include, but are not limited to, Systems Analysts, Systems Testers, Systems Programmers, Hardware/Telecommunications Specialists, Technical Writers, and Computer Operators. The Contractor shall also provide the SG with enough administrative staff to meet its administrative needs.

Unless otherwise directed by the State, the SG shall work only on the activities identified in this section.

11.9.1 GENERAL RESPONSIBILITIES

The Contractor's SG shall:

- A. Operate and maintain the HPE System and all supporting systems, including network infrastructure and telecommunications lines. This responsibility includes, but is not limited to:
 - 1. Updating system files and/or tables, and adding new codes or coding structures. Examples of such updates include adding, deleting, and/or modifying county codes, health plan codes, mandatory and non-mandatory beneficiary aid codes and/or zip codes in the monthly Health Care Plan (HCP) Table.
 - 2. Maintaining software programs and applications.
 - 3. Revising the beneficiary assignment algorithm logic and health care plan effective dates.
 - 4. Adding, deleting, and/or modifying Medi-Cal Eligibility Data System (MEDS) HCO Program transaction log error codes, and/or beneficiary health plan status codes.
 - 5. Modifying system file layouts and/or processing logic in response to a change in the MEDS file layout.
 - 6. Maintaining network interfaces with the State computer systems identified in this Contract.
 - 7. Monitoring and maintaining all hardware, network infrastructure, telecommunication equipment and lines.
- B. Modify application programs, manual procedures, and/or system hardware as necessary to bring HPE System processes into compliance with existing Contract requirements.
- C. Modify application programs, manual procedures, and/or system hardware as necessary to improve HPE System functionality.

- D. Develop new HPE System applications and procedures, and replace old applications and procedures when additional functionality, speed, stability, etc., as needed.
- E. Maintain and revise existing system-based reports, and develop new reports to reflect system changes.
- F. Complete system modifications required for correction and/or resolution of PS.
- G. Correct system errors caused by the implementation of system changes, provide operations support to handle production-related failures and/or problems, and perform and/or coordinate all recovery procedures.
- H. Update and maintain all system-related documentation (as described in this section).
- I. Maintain the computer operating system(s) and system components, install and maintain licensed hardware and software products and/or database components, and maintain system hardware.
- J. Except in emergency situations requiring immediate action, fully comply with all State-mandated oversight, documentation, testing and approval processes when implementing any system change (including, but not limited to improvements, patches, production changes, emergency repairs, and hardware replacement).
- K. Provide user acceptance testing and end user support for all newly implemented systems modifications applied to existing systems.
- L. Provide programming support for State ad hoc query and report requests when those queries and reports cannot be run from the HPE System's automated end user query/reporting interface.
- M. Provide ongoing maintenance of and support for the technology infrastructure. This includes, but is not limited to, system performance monitoring, capacity planning, system assessments and risk analysis. The Contractor shall conduct systems monitoring and analysis/assessment, as needed, but shall also be prepared to conduct a maximum of one State-requested assessment per Contract phase. The State may request assessments for reasons that include, but are not limited to, compliance with statutory and/or regulatory requirements, and/or determining system readiness for proposed program changes.
- N. Perform all required systems-related quality management assessments.

- O. Provide Takeover and Turnover support.

11.9.2 SCHEDULING AND MONITORING

- A. The State shall, in cooperation with the Contractor, exercise full control over the work to be performed by the SG. The day-to-day supervision of SG resources shall be the Contractor's responsibility. The Contractor shall, however, present all significant and non-emergency SG staffing level scheduling, and/or SG staff work assignment proposals to the State for review and approval. A "significant" change is one that will remain in effect for two or more business days. The State reserves the right to reject or modify any proposed changes in these areas.
- B. The Contractor shall assign SG staff to projects according to a clearly defined Contractor-developed methodology that the State has approved. The purpose of this methodology is to allow the State to:
 - 1. Recognize which staff are available for assignment.
 - 2. Verify the appropriateness of staff assignment in terms of the relationship between specific job requirements and staff training and experience.
 - 3. Assess the impact of staff assignment decisions on other HCO Program projects.
 - 4. Identify any need for additional resources over those currently available.
- C. Project priorities shall be set by the State and communicated to the Contractor. The Contractor shall notify the State when reprioritization will have a material impact on scheduling and/or when staff re-allocation is needed to meet a planned implementation date. The Contractor shall be responsible for assuring that all required State approvals are obtained on all SG projects, and that the SG performs quality work in a timely manner as specified in the project work plan.
- D. The Contractor shall utilize project management software compatible to the State's as a tool for project planning, progress assessment and project status reporting to the State. The State shall have real-time read access to up-to-date electronic versions of all current, past, and proposed future project work plans. The Contractor shall also provide the State copies of work plans on electronic media and/or paper, upon request.
- E. The Contractor shall propose a tool for reporting project status (e.g., Gantt charts with accompanying narrative) to allow the State to effectively monitor project status. Following approval by the State, the Contractor shall implement this project status reporting vehicle. At intervals established by the State the Contractor shall:

1. Provide an SDN status report with the following information:
 - a. The identity of each SG staff person working on the SDN.
 - b. The actual hours worked for each phase of the SDN by each SG staff person assigned to the project; individual hours shall be totaled over the current period; individual and total hour values shall be provided for the current reporting period, and for the entire project, to date; actual hours-used data shall be displayed alongside the corresponding hour figures from the approved work plan, and the revised projected hourly totals, where necessary; where variances exist between the hour totals in the work plan and the actual hours worked and/or projected, the size of that variance shall also be reported.
 - c. The current estimated completion dates for each unfinished SDN phase. Current estimated completion dates shall be displayed next to the originally proposed completion dates.
2. Provide a status report with the following information for each PS, CO, System Service Request (SSR), emergency program fix, and any other non-SDN work items that are the responsibility of the SG. These status reports shall be provided on a monthly basis, unless the State specifies a different reporting interval.
 - a. Job tracking number, job title, and a short description of the work.
 - b. Estimated completion date for each major milestone, work item, and/or project phase.
 - c. Revised completion date, if any.
 - d. Current status (most recently completed work item, milestone, and/or project phase).
 - e. Name of each SG staff person assigned responsibility for each work item, milestone, and/or project phase.
 - f. Number of hours each SG staff person worked on each work item, milestone, and/or project phase.
 - g. Number of hours for each phase of the project worked by staff person.
 - h. Total number of staff hours worked for the entire project.
 - i. Schedule variance between projected hours to be worked and actual hours worked.
 - j. Priority category of the work item, milestone, and/or project phase.

3. The Contractor shall submit status reports for open work items on a weekly basis. Status reports for completed and/or closed work items shall be submitted monthly and shall include only those items completed and/or closed during the month.
4. The Contractor shall maintain accurate records of all hours worked by each SG staff person for reporting purposes. All SG tracking reports produced under this section shall meet all reporting requirements as specified in Exhibit A, Attachment IV-Section 10, Reports.